

NATION'S BUSINESS



SEPTEMBER • 1933 Is Recovery Reaching the Consumer?—The New National Budget—Timely Aspects of Foreign Trade

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

That night, like clockwork, came Long Distance calls from field men in all parts of America



BECAUSE Long Distance gets things done quickly and definitely, and cuts costs in many ways, it has the approval of executives in every line of business. It is their long right arm . . . in getting quick delivery on purchases, in contacting dealers and distributors in distant cities, in handling important administrative matters.

An opportunity to discuss all details

The telephone is of particular value in everything relating to the selling of merchandise. An example:

By midnight of the day the Plymouth Motor Corporation introduced its 1933 car to the public, they knew exactly how it had been received in every corner of the country. For four hours, from 8:30 P.M. on, the staff in Detroit

held telephone conversations with 49 regional sales supervisors . . . thus getting word-of-mouth reports of the reactions of car owners and dealers in every territory.

"The results could not have been more satisfactory," says the Sales Manager. "The calls came in like clockwork at five-minute intervals. We knew that the car was an immediate success. We learned what models were selling fast, which helped in scheduling production. We were able to give the men encouraging news from other sectors—good strategy in any sales drive. And we could easily iron out little misunderstandings, because of the opportunity the telephone gave to discuss them fully.

"This made the fourth time we have used the telephone

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The Bell Telephone System works in close co-operation with business concerns of every kind in helping them to make more effective and economical use of this valuable service. We will gladly do the same with you. A call to the Business Office will bring a representative at your convenience.

TYPICAL STATION-TO-STATION RATES

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Atlanta	Louisville	1.45	1.25	.85
Chicago	Boston	3.25	2.65	1.75
Denver	Detroit	4.25	3.50	2.50
Los Angeles	St. Louis	6.00	4.75	3.50

Where the charge is 50 cents or more, a federal tax applies as follows: \$.50 to \$.99, tax 10 cents . . . \$1.00 to \$1.99, tax 15 cents . . . \$2.00 or more, tax 20 cents.



"I THOUGHT ALL TRUCK TIRES WERE ALIKE UNTIL I FOUND THIS SIMPLE WAY TO KNOW REAL TIRE VALUE BEFORE BUYING"

On hundreds and hundreds of tough hauling jobs Goodrich Safety Silvertowns are demonstrating their ability to lower costs—increase trucking efficiency. They can do the same for you.

How to avoid costly mistakes when selecting truck tires

THERE'S just as much difference between truck tires as there is between a reliable and an unreliable motor . . . and you wouldn't think of trusting your important hauling operations to any "wishy-washy" mechanisms.

For the same reason you simply *must* have tires that can take it and like it in the toughest kind of service . . . tires that will deliver your goods day in and day out, *on schedule*.

Can they take it?

... You be the judge

If anything proves that Goodrich Safety Silvertowns are built to stand *all* the punishment you can give them . . . and then some . . . it is the 3 famous "tor-ture" tests conducted in the rubber industry's largest research laboratory.

Men, the way they go at these tires with "hammer and tongs" is something to talk about.

Number One—a heavy steel spike shoots down a shaft like greased lightning and tries to puncture and pound the life out of a Goodrich Safety Silvertown. *It fails.*

Number Two—filled with water. Ter-rific hydraulic pressure. $2\frac{1}{2}$ times greater than the worst it will get under heavy loads.

Trying to break down the "load" resistance of a Goodrich Safety Silvertown . . . *It fails.*

Number Three—Scorching heat and a studded wheel grind away at the rate of 450 revolutions per minute, doing its best to wear and tear a Goodrich Safety

Silvertown to shreds. *It fails.*

No more "Guesswork"

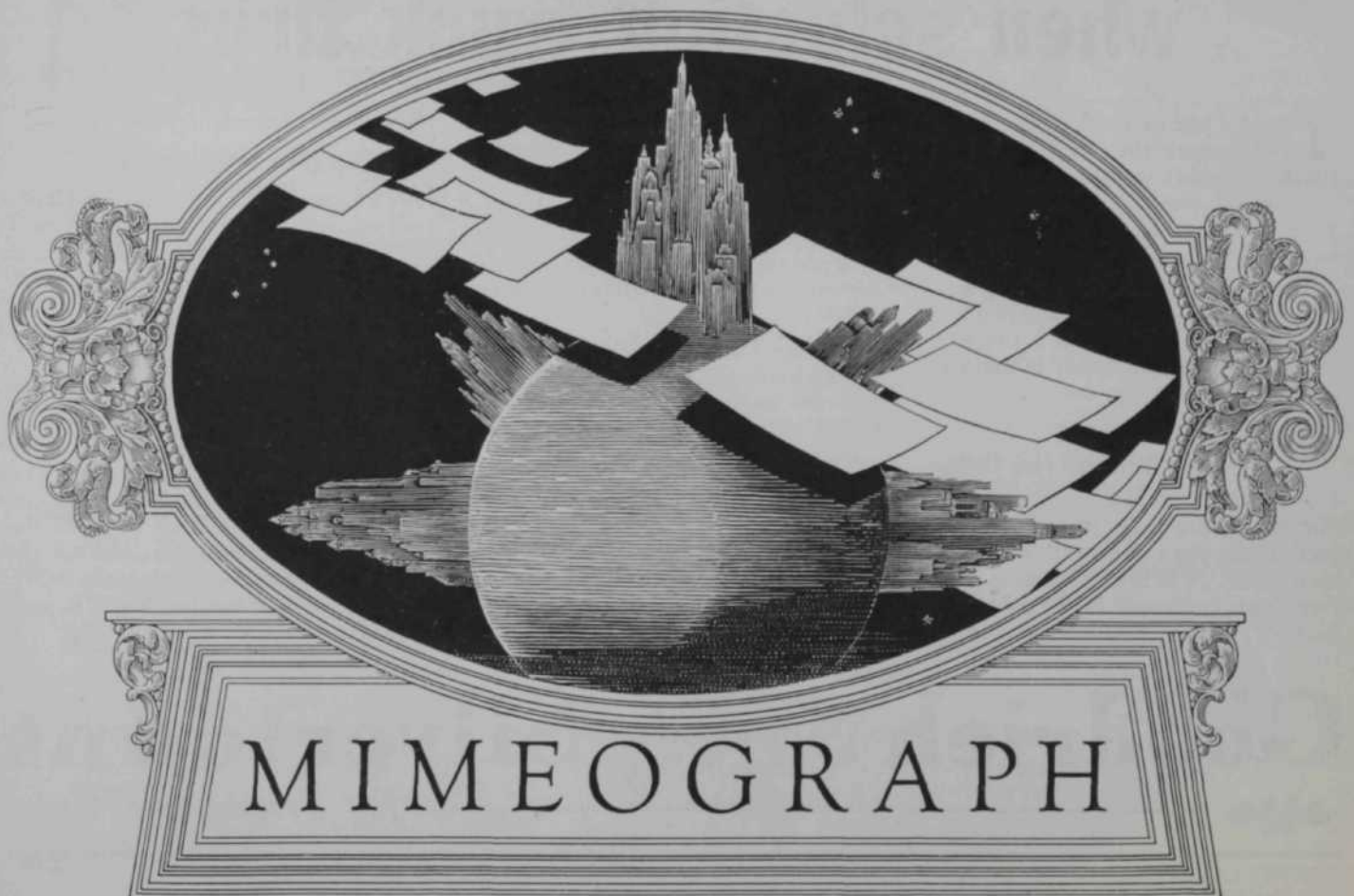
Are we proud to place the name of Good-rich on such a sturdy, rugged truck tire? You can bet your bottom dollar we are. And we say to you "Look for the name Goodrich when you buy truck tires and no longer will you have to 'guess' about extra mileage—fewer delivery delays—fewer repairs—*added safety*—more trips per day . . . *you can be sure of them.*"

Right now you can get these record-breaking tires at practically the lowest prices in history. Never before has any tire manufacturer offered so *much* tire value for so *little* money. Get *all* the facts. Phone your Goodrich dealer NOW. Look for his name under "Tires" in your classified telephone directory.

Goodrich *Safety* Silvertowns

— for Trucks and Buses

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Name

Date of Birth

Business Address

Home Address

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breakdowns must be avoided



"To avoid unexpected breakdowns,"
says steel mill,
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OIL COST
less than 1% of
total costs of
conversion

Burned-out bearings are troublesome and costly under any conditions. But when customers with small stocks on hand demand immediate delivery a burned-out main bearing can become a real tragedy.

Some years ago, a well-known steel plant faced this serious problem—frequent bearing failures resulting in forced shutdowns. Plant executives traced the trouble to incorrect lubrication. Shortly afterwards, they began to use Gargoyle Lubricants.

In this plant today, shutdowns due to bearing failures are rare. On motor drives in two of the mills, for instance, there have been no bearing failures in eight years. On Roll Necks, where bearings formerly burned out every 3 to 6 months, present bearings, in service considerably over a year, are still in excellent condition.



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In addition, plant operating records show that through marked reductions in maintenance and repair expense, lower power consumption and reduced oil cost, *total production costs have been materially reduced.*

Regardless of the type of plant you operate, your total annual cost of oil is probably less than 1% of your total costs of conversion. And yet, if you choose the correct lubricants for your equipment, this trifling cost can insure you against forced shutdowns and bring you substantial reductions in operating costs.

Why not let a Socony-Vacuum engineer show you lower-cost records made with Gargoyle Lubricants in leading plants in your own industry?

Socony-Vacuum Corporation, 26 Broadway, New York City. Branches and distributors in principal cities throughout the world.

S O C O N Y - V A C U U M
 C O R P O R A T I O N



Through the EDITOR'S SPECS

Balancing budgets

HARD times were no strangers to the citizens of a simpler world—and their records show that they suffered acutely from complicating plagues of taxes and office holders. A part of the story is told by Babylonian clay tablets now in possession of the University of Southern California.

The life of Urukagina, king of Lagash points a moral. In 2800 B. C. he wrote that he found the common people taxed almost out of existence, the middle class being ruined by forced sales of their mortgaged homes and lands, too many government office holders and exorbitant government fees which were often added to the officials' salaries. He did not like the way things were going. He tried to save his kingdom from financial collapse. Government fees were cut, sales of mortgaged property were stopped, and the public pay rolls were forcefully trimmed.

Kingdoms decayed. The tablets endure. Their meaning invites the conclusion that in any language the problem of balancing a budget signifies a job to test the mettle of the sovereign, whether sovereignty reside in a king or in the people. Government extravagance is a commonplace of every age. The evidence is enough to suggest that more cities and empires have been destroyed by political indulgence than by alien vandalism. As every budget balancer knows, Urukagina was a brave man.

Quicker travel

TO MILLIONS of men pushed backward by the tide of regression, the exaltation of "progress" may seem a cruel jest. Yet it is possible to believe that the pace of forward activity in some fields was stimulated by depression difficulties. Transportation, for example, has dealt a whole new hand of conquests over time, distance, noise, and discomfort.

The luxurious cabin liner *Washington*,

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A. P. W.

ONLIWON SANITARY WASHROOM SERVICE

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Representatives in leading cities

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delivered this year to the United States Lines for the North Atlantic service, is "the largest merchant ship ever built in the United States." On its part, commercial aviation now offers a daily service of 21½ hours between New York and San Francisco. The migratory New Yorker who has taken Greeley's advice to heart can now add "and the Pacific by bed time." The eastbound trip is done in 20 hours. New air liners whisk passengers from New York to Chicago in four hours and 45 minutes. A business man can now spend a day in Manhattan, top it off with a play, have a midnight repast and be in Chicago for breakfast. The hundred-mile-an-hour speed of yesterday has become obsolete almost overnight.

More than one railroad is investigating the possibilities of light weight, streamlined motorized cars to be operated singly or in trains. Speed and silence are the goals to spur development. And urban transit looks forward to faster and quieter service through the spending of \$500,000 for the design of a swift and noiseless vehicle capable of competing with the gasoline omnibus. An experimental car tried out in Brooklyn outfooted automobiles in starting at the flash of the "go" light.

The inherent quality of movement which gives meaning and effect to transportation is happily exemplified in the steady march of its serviceable ideas.

The maze of red tape

THE opportunity to use businesslike methods in government is curiously accentuated in the news with the rôle of a Brooklyn brewery as the point of contact for international representations. It all came about through the untoward landing in Siberia of James J. Mattern, round-the-world flyer. Irving Friedman, of the Kings Brewery Company, Brooklyn, wanted to help the aviator get on with his trip. A Soviet plane was requisitioned. It was to take Mattern to Nome. But a Russian plane cannot land in Alaska without permission from the American Government. And thus the trouble began.

As the story goes, Mr. Friedman wired to the State Department which in turn referred the matter to the Interior Department, which in turn put it up to the Governor of Alaska. Then the Governor of Alaska would consider the request and wire his decision to the Department of the Interior. The Department of the Interior would notify the brewery. The brewery would then notify the unofficial representative of the Russian Government in Washington. This representative would then notify the Soviet Government, and the Soviet Government would notify the aviator of the relief plane to proceed.

It may be that those who have looked long upon the tape when it is red have acquired a color fixation which complicates the view of all things touched with unorthodox political doctrine. Just suppose this sort of circumlocution prevailed at the brewery when some one telephoned for a case or a keg!

Political control

THE clarity of Owen D. Young's ideas has long been regarded as a national asset. What he said some years ago about the



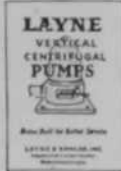
First— SINCE 1883

BACK of the first Layne pump was a great ideal; to build the finest pump that could be built, a pump that must produce *more* water, but at *less* cost. For a half century that ideal has been rigidly maintained. Into its pumps and well water systems, Layne has poured the ability—the talents—the efforts of the ablest engineers and designers. Into them it has poured the priceless improvements that only 50 years of experience and experiment can teach. Into them it has poured nothing but the finest materials that money can buy.

That's why more Layne Pumps and Well Water Systems than any other kind serve industries and municipalities the world over.

That's why Layne has been first in its field since 1883. Send now for the new free booklet that tells why Layne guarantees "Water Or No Pay."

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Systems of special value to () industrial () municipal executives.

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LAYNE PUMPS AND WELL WATER SYSTEMS

MARK TWAIN

said—

**"Everybody talks about the weather,
but nobody does anything about it."**



That was back in the eighties. It isn't true today. Chesapeake and Ohio, for instance, has done something pretty definite about weather — on every through train. And that something is "genuine air-conditioning."

The George Washington . . . The Sportsman . . . The F. F. V. . . . now provide perfect weather—winter and summer alike. Temperature and humidity are always at the point of greatest comfort—assuring sound sleep and refreshed awakening. Regardless of weather outside, it's always springtime on the Chesapeake and Ohio!

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THE GEORGE WASHINGTON THE SPORTSMAN • THE F. F. V.

All Genuinely Air-conditioned
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*The ticket agent of any railroad can route you on the
Chesapeake and Ohio. Insist upon it!*

CHESAPEAKE and OHIO

When making reservations on the C. & O. please mention Nation's Business

inevitability of political control of the national economy is a lustrous truth today. Politics, he said, is the lovely lady in the parlor; economics the kitchen maid who does the work.

In a recent address to a group of young women, Mr. Young confided that he "had hoped the kitchen would be able to discipline itself."

"Indeed, we are making progress in that direction, but there always was a small minority who had refused cooperation and who were unwilling to accept self-discipline."

"They represented rugged individualism at its worst. They were not so important in the period of prosperity, but they became powerful disintegrators in adversity."

Business having failed to discipline itself completely, as Mr. Young says, he sees "no escape from some direction and control by the lady in the parlor," but he is "not willing to turn the kitchen over to the lovely lady who talks so easily and so gracefully until I know she is competent to bake the bread."

And no one is likely to contend against his belief that "every advance in social organization requires some surrender of individual freedom by the majority and the ultimate coercion of a destructive minority."

What is not so plain is the decisive verity that political liberty is meaningless without economic security.

Yet millions of men perceived that qualification in the 1920's and turned their attention to the establishment of economic freedom.

"Almost they won, but not quite; the balance was lost and they toppled over" and now in the 1930's "we have found it necessary to give up some of our political liberty in order to stabilize our economic freedom. Political and economic liberty are essential to man. The question is how can we get the largest combined degree of each?"

In time's long perspective as wisdom is given to a later world, the convulsions of our present civilization may seem completely circumscribed with Mr. Young's laconic appraisal, "Industrial planning is not so easy as it sounds; rugged individualism is not nearly so bad as it has been made to seem."

Mice and men

IT WAS Robert Burns who took thought of the parlous life of a mouse and brought forth a bit of imperishable verse. Said the poet,

*The best laid schemes o' mice and men
Gang aft a-gley;
And leave us naught but grief and pain
For promised joy.*

The realization that we are living in a "managed" world hardly seems reviving enough to qualify the ancient verity of human fallibility.

However many the codes to cure our sick civilization, we are not yet done with "grief and pain."

Anational psychology which makes so much of plans and planners might logically preserve its balance by countenancing the organization of a chain of "Gang Aft A-Gley" clubs — each with its own golf course and house committee, as one forward looker puts it,

sworn to comb the country for refugee individualists. Naturally, the membership campaign would concentrate on prospects with depression-connected disabilities.

The high cost of smoke

WHAT is one man's smoke is another man's poison, to paraphrase Henry Obermeyer's eloquent sermon against the smoke nuisance. In "Stop That Smoke!" (Harper & Brothers) he does more than document the waste that goes up stack and chimney; he offers a reasoned procedure toward complete abatement. Beauty to some observers, a symbol of industry to others, smoke to this author is bad business—bad for business itself and bad for the community.

Against the polluting palls he brings a rather startling bill of particulars—\$140,000,000 a year for spoiled merchandise and building cleaning, untold waste in disease and death, destruction of trees and plants in our great cities, virtual cutting off of health giving properties of the sun. These are only a few of the costly items in the toll taken by smoke. The estimate that it amounts to a high of \$6,850,000 a day provides its own emphasis of importance.

No one who reads Mr. Obermeyer's detailed indictment is ever again likely to take smoke lightly. More than likely, he will wonder how the well-advertised air of freedom has been allowed to become so defiled in a land which makes personal cleanliness something of a religion.

No depression for him

THE STORY of Paul M. Egri is spreading beyond the orbit of his triumphant salesmanship. He turned to selling when a broken arm ended his career as a violinist. He got a job with the Commonwealth Edison Company in Chicago. He sold electrical appliances from house to house. In the first six months his sales record won 11 prizes.

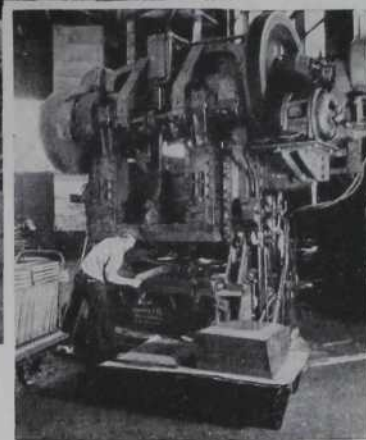
Realizing that his commissions would be larger on larger units, he decided to sell automobiles. He learned all there was to learn about his merchandise. From the beginning he was unwilling to believe that automobiles could not be sold. In his first year of car selling, he won first prize for selling more cars in the city of Chicago than any other salesman promoting the same line.

"I don't want any man to say that I didn't give him a chance to buy the car I'm selling" is the way he feels about his work. Any business whose salesmen have never taken time to learn that their merchandise cannot be sold will be enviably known as depression-proof.

Business must do it

IT SEEMS years ago that a student of human nature gave it as his opinion that we shall see better times when everybody puts a little more emphasis on the "try" in industry. In these code-making times it is well to remember that no trade constitution can subsist without a going business to give it life and meaning. As a colored brother puts it, "De codes don't do de business. De business make de codes."

M.T.



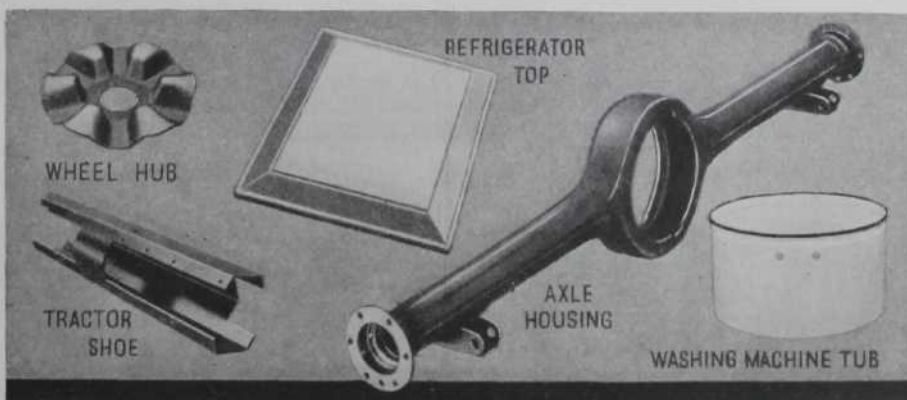
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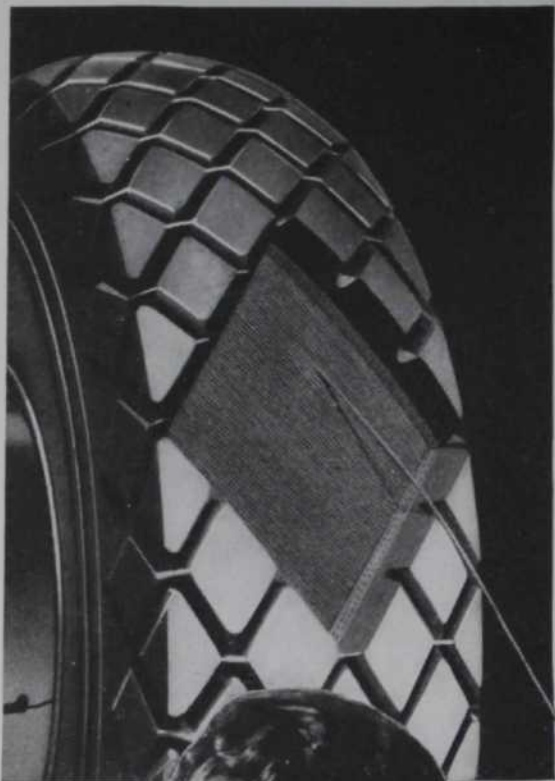
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STOP LISTENING and LOOK!



OTHER truck tire makers try to *tell* you. Goodyear *shows* you. Right before your eyes the Goodyear Dealer puts two pieces of cord in the testing machine (see below). One is a piece of the best cord used in most other tires; the other a piece of Goodyear Supertwist Cord. He turns the crank first forward, then back, forward and back. The cords stretch and relax, stretch and relax—just the same as when the tire is in use. Suddenly s-n-a-p goes the other cord. But not the Goodyear Supertwist Cord. It keeps on s-t-r-e-t-c-h-i-n-g . . . up to 61 per cent more stretch and comeback. **THAT'S WHY GOODYEAR TIRES RESIST BLOWOUTS AND SHOULDER BREAKS . . . LAST LONGER.** The cords are *different*—they bend and stretch and spring back—millions of times—without breaking. Mr. Truck Owner, see this test before you buy another tire. Tire claims are confusing. *Stop listening and look!*

An actual photograph. J. M. McCullough, Jr., Vice-President, McCullough Bros., Atlanta, Ga., witnessing Goodyear Supertwist Test. His firm, largest wholesale produce merchants in Georgia, has its trucks 100% on Goodyear Tires . . . Seymour Kominers, Goodyear Dealer, Atlanta, demonstrating.



GOODYEAR

MORE TONS ARE HAULED ON GOODYEAR TRUCK TIRES THAN ON ANY OTHER KIND

When buying GOODYEAR TIRES please mention Nation's Business to the dealer



A Re-definition of Liberty

✓ THERE is a limit to the legitimate interference of collective opinion with individual independence, wrote John Stuart Mill in the introduction to his essay on Liberty. To find that limit and maintain it against encroachment, he added, is as indispensable to a good condition of human affairs as protection against political despotism.

How to reconcile the philosophy of the New Deal with the familiar scope of government in the United States is a problem which has magnetized the best thought of responsible men. They are told by an administration spokesman that the absorption of the Legislative by the Executive "may be only temporary" but if it works well, "the power may be renewed." It is Professor Tugwell, assistant secretary of agriculture, who announces that what we are getting "is an orderly revolution." To General Johnson, chief administrator of the National Recovery Administration, the "blanket" idea of a code means "complete reorganization."

Neither "revolution" nor "reorganization" are strangers to the American vocabulary. It is in their present implications that they become confusing and disturbing. Business sees the apparatus of government ominously expanded under emergency powers. True, a dubious textual comfort for this sobering contemplation is put forward in the professorial assurance that "the old bogies of bureaucracy and red tape frighten no one any more." And as if to brush away any lingering question of official competency to stabilize a dizzy world, "business men know that government is quite as well administered as their own concerns."

Successful business must plot its course by tested procedures. The New Order is inclined to interpret exigency as a tradition. "What we are doing," it is explained, "is simply, in the light of modern realities, to seek new trails toward the oldest aspirations of the race. We are forced to work under the pressure of immediate circumstances and to plan in the face of great uncer-

tainties. Our course cannot, therefore, be mapped with precision. It ought not to be."

But not all of the headshaking over the course of government is done by precisionists. Nor is it only the protectors of liberty who have watched the march of events with a lively regard for their destination. Whether or not it be agreed that a revolution has been accomplished by the enactments of the "hundred days' Congress," it is a fact of profound importance that the decisive reliance for the success of the recovery program is focused primarily on the resources and initiative of the individual. It could not be otherwise in a world which must look to human beings to keep it going. The act of faith required is phrased in this timely definition of the Administration's objective:

"Instead of a government of fixed, immutable forms, we must put our trust again in a government of human beings, who entrust with genuine power and leadership other human beings, and who, if those executives fail, displace them and choose others."

Are not those who mourn the passing of individualism a bit premature? It takes no partisan linguist to translate the confession of this requirement of human nature into a public admission of the decisive need for the individual citizen as a partner with government. Where there is government there will be formalism—call the organization of society by whatever name we will. The indestructible fact to which we may look for balance in the present perplexities is that in any management of public affairs deriving from the people, a creative individualism will always command a premium in progressive opportunities for service which distinguishes the glory of self-hood from the greed of selfishness.

Liberty is not dead in America; it is only being re-defined.

Merce Thompson

Ditto eliminates these rewritings



...and saves us \$6000 a year*

— says a prominent electrical manufacturer

● "Heretofore, we considered it necessary to rewrite production orders, shipping tickets, labels, and bills of lading, never realizing that we were rewriting information that might have been reproduced from the original order.

Now one Ditto machine reproduces all necessary copies of orders direct from the original, written by our branch office, including shipping tickets, bills of lading, labels, tags, and production copies. You can well imagine how we speeded up our work and the savings we are effecting."

• • •

The keynote to every Ditto order system is one-writing—whether that writing be made at the home office or by a salesman in the field. From this single writing are made all of the necessary copies to manufacture, fill, ship and bill the order. Any size sheet may be used, and any weight of paper or card stock.

Ditto's versatility extends even further. It saves dollars and immeasurable hours in your sales, accounting, purchasing and other departments. It copies anything typewritten, handwritten or drawn direct from your first writing without stencil, type or carbon. No office records need ever be rewritten if you have Ditto.

Our booklet "Cutting Costs with Copies" tells how smoothly Ditto fits into your present system.



Learn all of the facts about Ditto. Send for this interesting booklet today.

Ditto

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Yes, send me your booklet "Cutting Costs with Copies" which tells how Ditto is saving time and money on order and billing work and in sales, accounting, purchasing and other departmental activity.

Name.....

Address.....

City..... State.....

★ HERE is a set of order and billing forms completely reproduced on Ditto from one original writing. It includes all necessary forms to fill, ship and bill an order. Rewriting on these forms was reduced 75%. The result is greater accuracy; higher office efficiency; better service and increased net profits.

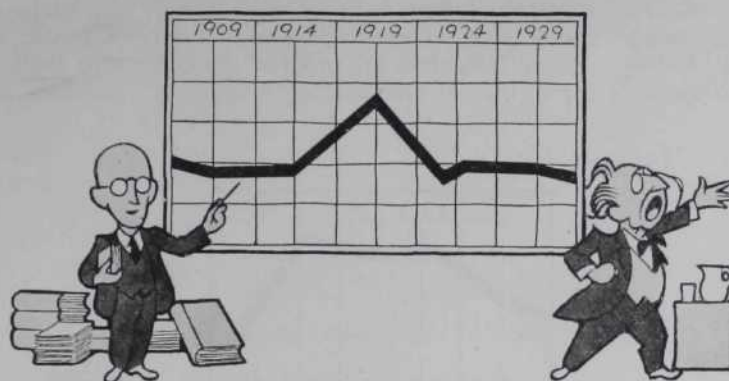
We Need Foreign Trade, Too

By JAMES A. FARRELL

★ THE battle of nationalism versus internationalism has been revived. We had a period of about ten good years when international trade was reaching new heights, during which the doctrine that no nation could live unto itself was readily accepted. Four succeeding years of depression raised new doubts, strengthened by the failure of the World Economic Conference to satisfy world expectations. This has given extreme nationalists and internationalists the opportunity to renew the controversy between these two schools of thought.

If the goal of the nationalist be that of complete economic independence for the United States; if the aim of the internationalist be that of complete economic dependence—then to neither of these schools of thought is it possible, in my judgment, to give adherence. The reconciliation of our domestic economy to a world economic order is not only possible but desirable. This middle course presents, in my judgment, the only conceivable way out of the present confusion of thought both for ourselves and for other nations.

The tendency to define nationalism and internationalism in terms that imply a natural conflict between the two should not blind us to the value and importance of their normal relationship to each other. Much of the confusion of thought that surrounds discussion of the relationship of economic nationalism to a world economy arises from failure to distinguish clearly between economic policies that are within the sphere of national control and action and those that naturally fall within the bounds of international deliberation and agreement.



SOME economists complain that our export trade before 1929 represented competition injurious to others. The facts do not support this charge. There has been little variation in the past 20 years—save in the war years—in the ratio of our exports to total production

It is a fallacy to assume that, rightly understood and defined, nationalism and internationalism are at opposite poles. They are complementary. The observer of world affairs may discern a movement in all countries toward the substitution of cooperation for injurious competition, and the coordination of national and international interest. But such a movement does not imply the existence of a superstate which is the dream of idealists and the goal of those who proclaim themselves Communists.

Choose neither extreme

THE alternatives placed before us by these rival schools of thought are, on one side, a policy of economic nationalism; of national self-containment and withdrawal from international trade save for imports of essential raw ma-

terials in exchange for our primary commodities; and, on the other hand, an internationalization of our domestic market by the lowering of our tariffs and the subordination of our national policies to the decision of an international body or superstate. Experience and sound judgment forbid either of these extremes.

We may dismiss as outside the bounds of practical politics the viewpoint which urges the opening of our domestic market to unrestrained foreign competition, and which would submit our national problems to the decisions of an external authority. This is in direct conflict with the declared policy of the United States. Both our national parties endorse the principle of a protective tariff. President Roosevelt distinguishes sharply between questions

which our nation alone has the right to decide and those whose solution must be sought through international agreement. In the final resort, action rests with our Federal Government.

Through the International Chamber of Commerce, World Conference, and kindred bodies, practical results may be obtained by means of a better understanding of international problems and discovery of the most favorable approach to their solution.

There is no reason for Americans to be alarmed at the influence of those who advocate the internationalization of our domestic economy and its control by an external body. Public opinion in the United States bars any approach to a change so subversive of national government. We should, however, concern ourselves at this time with the possible consequences of a policy of national self-

sufficiency, as advocated by extreme supporters of nationalism.

The program of these nationalists, if adopted, would mean a revolutionary experiment in national economics more disturbing in my opinion than the four years of depression through which the United States has passed. Our national economy would be built up exclusively on our domestic market. Our tariff would be practically prohibitive of international commerce. Yet these nationalists insist that our industrialization and social standards can be maintained without foreign trade; that we can live more successfully, cut off from the world.

We can't live alone

THOSE who stand for a self-contained United States live in a world of unreality. The age of self-sufficiency, known as the Middle Ages, ended with the discovery of the New World, with the extension of commerce to the high seas, and with the coming of the Industrial Revolution early in the Nineteenth Century. It is as impossible for the United States to retire within itself as it would be to live over again the centuries of national isolation which marked the world into which Columbus was born.

Our withdrawal from the foreign trade field is urged by the nationalist school in the interest both of the United States and of our foreign competitors. The only plausible argument advanced in support of the theory, that foreign trade which is good for competing industrial nations is evil for the United States; is the well founded assertion that of all nations the United States is the most self-contained. It is a fallacy, however, to base upon this the conclusion that we can become a self-contained nation, and continue to prosper without foreign trade.

It might seem at first sight that other countries would permanently benefit by our retirement from the foreign field. Any restrictions, however, placed on the economic movement of international trade, through excessive trade barriers is an arbitrary interference with the interests of other nations.

The point to consider, therefore, is not the speculative question of the results to the United States of a policy of self-containment, but the effects upon other nations of this narrowing of the world area in foreign commerce.

Although solicitous for the welfare of foreign countries, and desirous of aiding them by eliminating the United States as a competitor, these nationalistic theorists apparently have overlooked the elementary truth that the narrowing of the field of international commerce, by the economic isolation of our nation, would not only be harmful to other countries, but would be the cause of deep resentment abroad and possibly of war. Whatever arguments may be advanced, therefore, in support of national self-containment, that of benefiting other countries will not bear serious investigation.

The evil state of our business in the last few years has supplied ammunition to the nationalists. Supported by the technocrats they have charged that our industrial system is out of gear, largely owing to our export trade, and that our present difficulties are proof of the failure of the old economic order of inter-

economic revolution, the outcome of which must remain a matter of speculation. Our home market may respond in a higher degree than at present to a policy of greater self-sufficiency, but it presents features that tend to militate against efforts to make it the sole prop of our economic welfare.

Advocates of self-sufficiency, and some economists, complain that our export trade prior to 1929 represented fierce competition injurious to other countries. The facts do not support this charge. There has been little variation in the past 20 years—save in the war years—in the ratio of our exports to total production, which is less than an average of ten per cent. Our increase in national production has kept pace with demand. Whether this demand was artificially inflated by an overexpansion of credit, and by extravagant expenditure both at home and abroad, is a question on which no general agreement has been formed.

Trade is important

THE defects of the past, however, and the resulting derangements, do not justify a major operation such as the abandonment of our foreign trade. The relation of our foreign trade to our national economy, set out in a statement by President Roosevelt, will carry more weight than the extreme views of nationalists or internationalists.

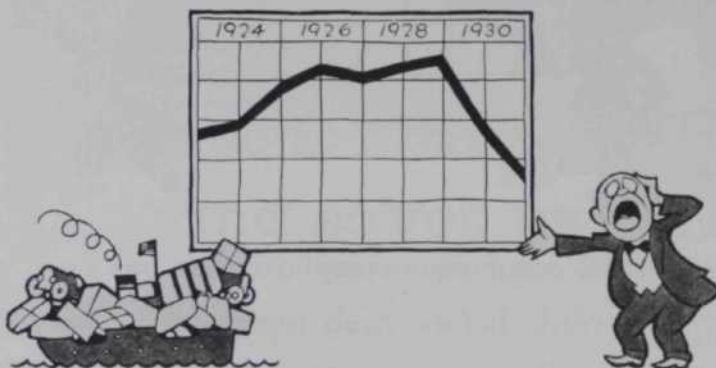
"Our international trade relations," says the President, "though vastly important, are in time and necessity secondary to the establishment of a sound national economy."

Foreign trade promotion in the United States has always rested upon the principle that it is of vast importance to our nation, although secondary to the 90 per cent of our trade in the home market which is the mainstay of our national economy.

Opponents of our foreign trade assert further that its promotion is inconsistent

with a desire for higher domestic prices; that we must choose between domestic buying power which is the result of high wages and a price level related to our debts or an export trade based upon low wages and prices, if we are to build our future in the world markets. This calls for a comment.

In the first place it is incorrect to assert that we propose to build our future in the world markets. It is not a case of



AFTER the 1920 crisis it was generally held that revival of our foreign trade was impossible on a high scale of wages. There was the same clouded outlook as now, the same counsels of despair. Yet we can look back on unprecedented prosperity when a record high level of exports was not inconsistent with a high standard of living

national interdependence. This violent swing of the pendulum to a declaration of war on our foreign trade policy is much like a proposal to kill the patient because the doctor cannot immediately diagnose or cure the disease. Our economic system is the growth of centuries. Artificial measures that aim at pulling this system up by the roots offer no guarantee of its replacement by a better system. To abandon world markets would mean for the United States an

choosing between domestic and foreign trade. We are not confronted by the alternatives of a high standard of living at home or lower standards through the pressure for low wages dictated by an export trade averaging less than ten per cent of our total production.

Our competitive power abroad prior to 1929 was not based upon low production costs derived from low wages. This premise is disproved by past experience and by the conclusions reached in competing countries. It is to the export of finished products, at low costs derived from mass production and highest wages, that we owe in the period 1922-29 our increased export trade and increased standard of living. After the 1920 crisis, it was generally held that revival of our foreign trade was impossible on the existing high scale of wages. There was the same clouded outlook as now, the same counsels of despair. Yet we can look back on a period of unprecedented prosperity in which a record high level of exports was not inconsistent with a high level of domestic prices and a high standard of living.

Opinion in foreign countries gives striking confirmation of the fact that our competitive power abroad was not due to the causes assigned to it by those who regard our export trade as an injury both to our own and other countries. Speaking at Sunderland, England, on January 27, 1926, on the eve of the departure for the United States of a British labor mission, Stanley Baldwin, the British Prime Minister said:

I venture to think that no trade union leader could do better service to the cause he represents than by investigating closely what the methods are that enable the American workman to enjoy a better standard of living than any other working people in the world, to produce more, and at the same time to have so much higher wages.

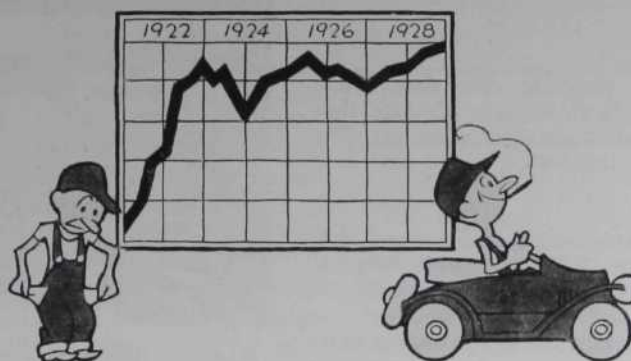
Efficiency helps civilization

THE visits of British workmen to this country after the war impressed upon them the fact that our competitive power was not due to low wages or to cut-throat competition, but to our more modern mechanism and more efficient methods of production. If it be seriously contended that our greater efficiency is a menace to civilization in other lands, how shall we defend the Industrial Revolution of the nineteenth century? Logically, what the nationalist and technocrat demand is that countries in which production costs are based on low wages and a low standard of living should have a monopoly of the world markets. The principle of competition that aims at the elimination of the inefficient is a principle worth preserving in the interest

of higher civilization which is the ostensible goal of those who ask us to withdraw from the foreign trade field. Our withdrawal, as a highly efficient nation, would not benefit the countries seeking a more balanced economy by adopting American machinery and American

tainly cannot aid in world recovery by following their example.

The danger of economic planning, whether on a basis of greater national self-sufficiency, or on that of a normal international exchange of goods, is that it may tend to destroy individual initiative and enterprise and extinguish the spark of inventive genius.



THE BATTLE of nationalism versus internationalism is on again. We had nearly ten good years when international trade was expanding, and the doctrine that no nation could live unto itself was accepted. But four years of depression have given the nationalists new arguments

methods. In time also, after years of cloistered seclusion behind our tariff wall, we, too, as a nation would decline in efficiency through lack of contact with other industrial countries.

There is no ground for the assertion that an industrial country cannot trade with another industrial nation by an exchange of manufactured products. The genius of foreign trade lies in adapting goods to the consuming market. That trade may be maintained between competing industrial countries is shown by our normal trade relations in recent years. Two of our most formidable competitors—Great Britain and Germany—have been our best customers.

The decline in our export trade in the past four years is not the result of loss of competitive power, but of a decline of buying power abroad and the existence of conditions that have led so many countries to seek recovery behind prohibitive import barriers. Our trade with Canada has been diverted to other British countries by artificial agreements that discriminate against American imports. These temporary difficulties must eventually be relieved by the adverse effects upon countries whose trade policies narrow the area of economic international commerce. We cer-

with consumption requirements. Bad harvests, political upheavals, the changing quality of life, call for constant readjustments which are possible only in the highest degree through the elasticity of individual initiative. The changes forecast in recent legislation do not call for a break with the past, but for a successful grafting of new ideas on the old stem.

In our highly developed economic order cooperation within industry itself, subject to legal qualifications, will prove more expert and adaptable than a bureaucracy in maintaining that progressive equilibrium which the advocates of conscious planning contend can be attained only through a unifying authority.

If in the limited compass of this article I have confined my views on foreign trade to a negative defense, in answer to those who would scuttle our merchant marine and deny our manufacturers and merchants the right to trade with other countries, it is because I feel that a statement setting out more fully the positive advantages of our foreign trade is unnecessary in the pages of the NATION'S BUSINESS, and that my views on the subject already are well known to its readers.

Balanced production

IT IS highly desirable, of course, to obtain so far as possible a balance within each country between production and consumption. Under the National Industrial Recovery Act considerable advance in this direction may be expected through legalized self-control within the industrial organization. By means of cooperation within industry, now permissible, it should be possible to regulate production in normal times, and prevent the maladjustments incident to a post-war period of prolonged dislocation.

Neither in our domestic economy, nor in the world economic order, is there, in my judgment, a possibility of creating a unifying center of the character required to insure successful coordination of productive power

No Business Can Escape Change

★ **Waterproof lime** is now available—once slacked and used as mortar it's said to absorb no more moisture, thus retaining its strength instead of softening when wet. The development may mean revival of the ancient use of lime as a masonry binder. . . .

A **portable machine** has been designed for wrapping and sealing articles in transparent cellulose. It takes a wide range of package sizes, handles 600 packages an hour. . . .

Steel sheets are given laminated resin surfaces in designs ranging from textile patterns to imitation wood, marble, etc., by a new process which firmly bonds the veneer to the backing. . . .

A **new silicon-iron alloy** has been developed which is said to be almost entirely resistant to hydrochloric acid at all concentrations and temperatures, up to the boiling point. . . .

Novel uses for solid carbon dioxide: Freezing quicksand encountered in excavating; fighting underground electrical conduit fires; fitting machine parts (cores are cooled with it, then inserted in their housing); freezing golf-ball cores before wrapping; drying ether and other solvents by freezing out water. . . .

In a **new ice refrigerator** air circulation is controlled, refrigeration improved by a small electric fan which starts when top temperature reaches 49, cuts off when it drops to 46 degrees. . . .

For mechanical refrigerators: A new beverage rack which allows 11 bottles to be stored flat in a shelf 5¼ inches high; a small auxiliary ice box, fitting atop flat-topped boxes, which is cooled by a tray of ice from the mechanical box. . . .

A **washing machine** with a wringer which holds no menace to fingers is on the market. If fingers are caught they get no more than a slight squeeze before the rolls automatically spring apart. . . .

A **small electrical dryer** for quickly drying handkerchiefs, gloves, and other small articles is now available. . . .

A **new shower head** saves one from getting into hot water. It's said to close automatically if the temperature of the shower bath nears the scalding point, to reopen when temperature drops. . . .

A **new step-like device** for ladders provides a solid, flat surface for painters, carpenters, etc., to stand on. It attaches between any two rungs, is adjustable to any angle of the ladder. . . .

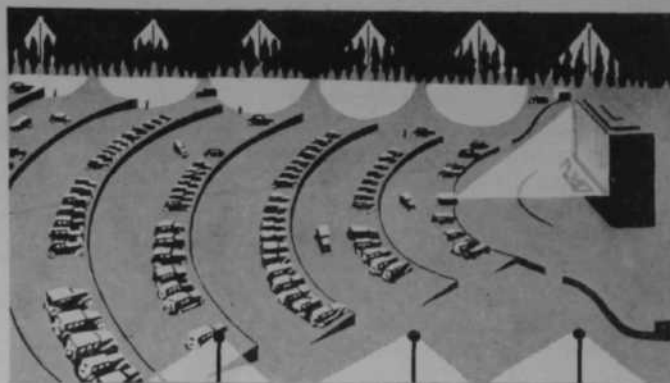
Floor lamps, other lighting fixtures equipped with holders for flowering house plants are now being offered. The light rays are said to enhance the plants' appearance, lengthen their life. . . .

Flower gardening is simplified by mulch paper patterns, made in numbered, perforated sections. Seed from packets numbered to correspond are planted, grow up through the holes. Experts prepare the patterns to give proper color, height, blossom rotation. . . .

A **new household fly spray** is said to serve the double purpose of swiftly putting flies to death and lending a flower-like scent to the rooms in which it is used. . . .

Shoe polish is now being marketed in lipstick form. A few strokes with the stick upon the shoe and a rubbing with a shoe cloth is said to be all that's needed for a shine. . . .

Ground coffee compressed into disk form is on the market. Ten disks make a package, one disc a cup. . . .



Autoists drive in, see movies from their own cars at a New Jersey theater. Ushers are mounted on bicycles

CHANGE follows change in lightning tempo across the whole broad front of business during these fast-moving days. To those who are swift to perceive and act will belong the prizes which the new order offers

A **new machine** slices the dough of bread before the loaf is baked. The baked loaf is a unit, yet slices are readily detached. . . .

A **new tray** improves curb service of refreshments. It fits inside the car door, allows windows to be closed while in place. . . .

Operating pressure of grease guns is stepped up, leakage eliminated, by a new ball-point fitting and an improved coupling which grips the fitting tighter as pressure increases. Present lubricating equipment is said to be readily adapted to the new system. . . .

Rattling of manhole covers is ended by a new resilient ring-shaped cushion, so made that it cements itself in place upon its seat without adhering to the cover.

A **portable public address system** which packs into a small carrying case and which weighs only 75 pounds, complete, is now available. It includes microphone, amplifier, two loudspeakers, etc. . . .

A **new combination** envelop carries a separate, smaller envelop for messages fixed in slots cut in the larger envelop. . . .

Faster marking of ready-to-wear price tags is achieved, handling of type eliminated, by a new motor-driven machine in which symbols arranged on wheels are set up by means of dials. . . .

Fabrics surfaced with transparent cellulose are now available. Easily cleaned with a damp cloth, brilliant, they are offered for use in aprons, drapes, curtains, boudoir-furniture coverings, shelf coverings, hotel dresser scarfs, etc. . . .

Campers and others find shaving in the dark made easy by a new safety razor. Its handle contains a battery and a tiny light bulb which illuminates the face. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—Material for this page is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business information into our offices in Washington. Further information on any of these items can be had by writing us.

Watching Washington

By FREDERICK SHELTON

★ THE testing time for Roosevelt economic experiments has come. National economic planners now are squarely against the job of imposing their plans upon the nation's industries, big and small. It is a tough job, and the final outcome will not be known for several weeks.

In broad outlines the task is to eliminate unemployment and raise the general price level. The method is to get all employers of labor to forego temporarily their hopes for additional profits, and instead use the proceeds of production to pay higher wages and to spread such wages among additional workers by means of shortening working hours. It is not human nature for employers to do this. They have had too many years of deficits to consent gladly to operating their businesses primarily as a public service at a time when quickened demand would permit a better margin of profit. Many hard-headed realists assert that it is not good public policy to curb the profit motive; that only by the lure of profits can capital be made to venture into enterprises sufficiently to mark the difference between bad times and good times.

Nevertheless, government administrators will try to reverse the normal order. They are going to try building up mass purchasing power first, letting profits ultimately come from increased volume of business. They have considerable confidence that they can succeed. They know the difficulties, but will rely on mobilization of public opinion to bring all parties into line.

A Set of Problems

THE National Recovery Administration will continue to be the mainstay of the Government's prosperity push for the next few weeks. Many other factors, however, will loom large in the program. There is the farmer's plight; he has not yet achieved economic equality, the announced objective. There is the dilemma of monetary policy. Government credit must be nursed because billions must be borrowed by the Treasury. Dozens of lesser problems grow out of these main ones.

You can see that the sailing ahead is not to be clear. Washington officials are badly confused but are energetically forging ahead by the trial-and-error method. Business men, citizens of all classes, and organized groups are likewise confused but reflect a general willingness to play ball. They have taken an awful licking for four years and are in the mood to risk new methods. There are innumerable practical complications, of course, and these are bound to slow up progress. Those die-hards who predicted widespread resistance to government mobilization of industry, however, were wrong. At least they were wrong temporarily. Later on when depression horrors are past, individualism will rise up and resist further harnessing by bureaucracy. But for the present business is still cowed.

This is a rough summary of broad policy and general objectives. Is it possible to project the future with respect to various situations? Probably no one should attempt such a projection. Yet each of us has to make his own plans and has to base them upon certain assumptions as to future developments. The following represents a forward view of the situation as I see it.

Monetary Policy

THE big practical question for every man in business is, "What are we going to use for money?" Roosevelt has said we shall have a cheaper dollar. He is thinking in terms of a dollar that will buy only about two-thirds as much as the present dollar. He has authority to inflate to almost any point deemed desirable. How far will he use that authority? The smartest prognosticators are watching every move, trying to dope out the next step and the ultimate outcome. They cannot possibly know what will happen to the dollar because nobody knows. The President has certain present intentions, contingent upon future developments, but he may change his plans as he has done in the past. The administration is committed to experimentation and that means sudden changes of plans if events seem to require changes.

Here is the way this inflation matter appears to me. The President promised higher prices, by inflation if necessary. Immediately millions of gambling Americans proceeded to bid up commodities and stocks on the strength of that announcement. Speculation went too far; assumed menacing proportions. And the Administration struck out on a somewhat modified course. Emphasis was shifted from dollar depreciation to the more solid program of job-making, wage-raising, and building up of purchasing power. The responsibility for this program was put on NRA. There are sure to be tangible results from the NRA push but probably not enough to satisfy the rank inflationists and the millions of idle men who will not have jobs despite everything. Then we shall have more inflation talk and some degree of inflation itself.

Forms of Inflation

THE scheme now most favored in Washington is to reduce the gold content of the dollar by about 40 per cent. A corollary to this is the purpose to get prices to about the 1926 level and then keep them stable by regulating the supply of money. Orthodox monetary theorists say this idea is fallacious in principle and unworkable in practice. Of course, their advice probably will not prevent attempts at managing the price level by managing currency. This, however, will not account for the real inflation which we can expect, in my opinion.

The Government is rolling up a tremendous deficit. This will call for the borrowing of several billions of new money in addition to billions required for refunding short-term maturities. It is unlikely that the public, meaning private individuals and commercial banks, will take these bonds at a price the Government can afford to pay. This financing program will cause the Government to work for continued low interest rates, thus establishing a base for great credit expansion. Even then the Federal Reserve banks may have to buy new government bond issues in wholesale quantities. A billion dollars of bonds purchased outright from the Treasury by the Reserve banks would normally be translated into ten billions of bank credit. Moreover, it is possible under the Emergency Banking Act of 1933 for Reserve banks to issue paper money to the extent of the full face value of their government bonds.

Thus, while we are playing with devaluation of gold, green-

backs, and silver money, inflation of the kind that really counts probably will creep upon us by way of cheap bank credit growing out of extensive deficit financing by the Government.

Critical Period Ahead

ALL REPORTS indicate an upsweep of trade and production in many parts of the world. There is reason to believe that this country, along with most other countries, is emerging definitely from the depression phase.

There is much solid opinion among students of economic conditions to the effect that nothing short of complete mis-carriage of our national policies can prevent a gradual, consistent business recovery.

The American people have been promised a quick recovery, however, or at least think they have. Therefore, if the NRA drive flattens out this fall, and winter approaches with a large hangover of unemployment and agricultural distress the Administration can be depended upon to apply large doses of new remedies.

Next Recovery Devices

Intensification of public works expenditures.

Universal licensing of industries with strict requirements as to national economic planning.

Heavy refinancing of government obligations and the raising of large sums for the emergency program by exchanges

IT WOULD be foolhardy to try to forecast precisely the next steps which would be taken. The following possibilities, however, should be kept in mind:

NATION'S BUSINESS for September, 1933

of government bonds for Federal Reserve bank credits. Definite devaluation of the gold content of the dollar.

Enlargement of direct unemployment relief expenditures.

Cashing of veterans' bonus certificates to the extent of more than \$2,000,000,000.

Direct pressure from the Government to have banks utilize their resources for the expansion of trade.

Revival of the attempt to subsidize private construction.

Summary of Outlook

BLANKET codes will prove only moderately successful. Business improvement will lag noticeably by next winter. Then will come the next stage of recovery, marked by inflation of one kind or another. Most of us believe that the Government can control inflation by means of the numerous weapons available. There are a few who think we are in for speculative excesses which will surpass the record of 1929.

Public Works

THE public works administration will have pledged a total of \$2,000,000,000 for expenditure by the end of 1933. Roads will take about \$400,000,000; about \$230,000,000 will go for naval shipbuilding; a start will be made on Muscle Shoals and the Cove Creek dam; the Mississippi River improvement plan will be pushed; and new power and irrigation projects will be started at several points in the West. Loans and grants to cities will be less than originally expected because of the impaired credit of those cities which need funds the most. Actual disbursements by next January, however, will be short of \$500,000,000.

Industrial Recovery Adjustment



UNDERWOOD & UNDERWOOD

William Green

President, A. F. of L.



Gerard Swope

President, General Electric Company



HARRIS & EWING

Dr. Leo Wolman

Professor, Columbia University

THESE seven distinguished men will act as a superboard of mediation to consider disputes which threaten to disrupt any branch of industry. Their principal function will be to interpret differences between manufacturers and

their employees, both over conditions under the voluntary general code and under individual industrial codes. Under the plan it is proposed that central and local boards be established to seek an adjustment of any disputes which

A curious development has occurred with respect to land reclamation. For a decade or more agricultural organizations have fought any further opening up of farm lands through irrigation or drainage. Many irrigation projects previously developed have suffered greatly because of their inability to pay out on the basis of the investments made in them. Nevertheless, at a time of renewed efforts to relieve agriculture the Government is proceeding to finance tremendous new irrigation projects as a means of temporary unemployment relief. This is an example of the many strange inconsistencies growing out of the mad rush to get action quickly.

As a by-product of public works expenditures, the Government will build several plants for the generation of cheap hydroelectric power. It will try to find a market for this cheap power and this will furnish keen competition for private power companies operating in the territory of such government plants.

Also, loans will be made to cities which wish to go into the power business. Thus, a definite boost is about to be given by the Government to public ownership and operation of power plants.

Of course, it will be two or three years or longer before most of these plants are in operation.

National Planning

THE main incentive of the public works administration is to spend money to make work and thus to start a new cycle of purchasing power. At the same time an attempt will be made to carry out a sort of national improvement program. The aim is to make enduring additions to the country's economic facilities. Thus, the Mississippi is to be fixed up so it will serve as a better trunk line for water traffic from the Great Lakes to the Gulf; a whole new economy in the Southeast is planned on the basis of cheap and plentiful electric power from the Tennessee River; a similar scheme is to be worked out in the Columbia River Basin; the St. Lawrence Seaway may be put through as another link in the power and transportation system; and numerous river and harbor im-

provements will be made. This concept of public works will be stressed when an enlargement of the whole scheme is presented to Congress next January.

This is planning on the purely physical side. The idea will be given still greater emphasis in the field of business operations. Back of the publicity and evangelical fervor emanating from NRA headquarters is a quiet intention to launch a permanent program of
(Continued on page 58)



HARRIS & EWING

★
Senator Robert F. Wagner, New York Democrat, will head the new mediation group

Board



HARRIS & EWING

John L. Lewis
President, United Mine Workers



HARRIS & EWING

Walter C. Teagle
President, Standard Oil Company



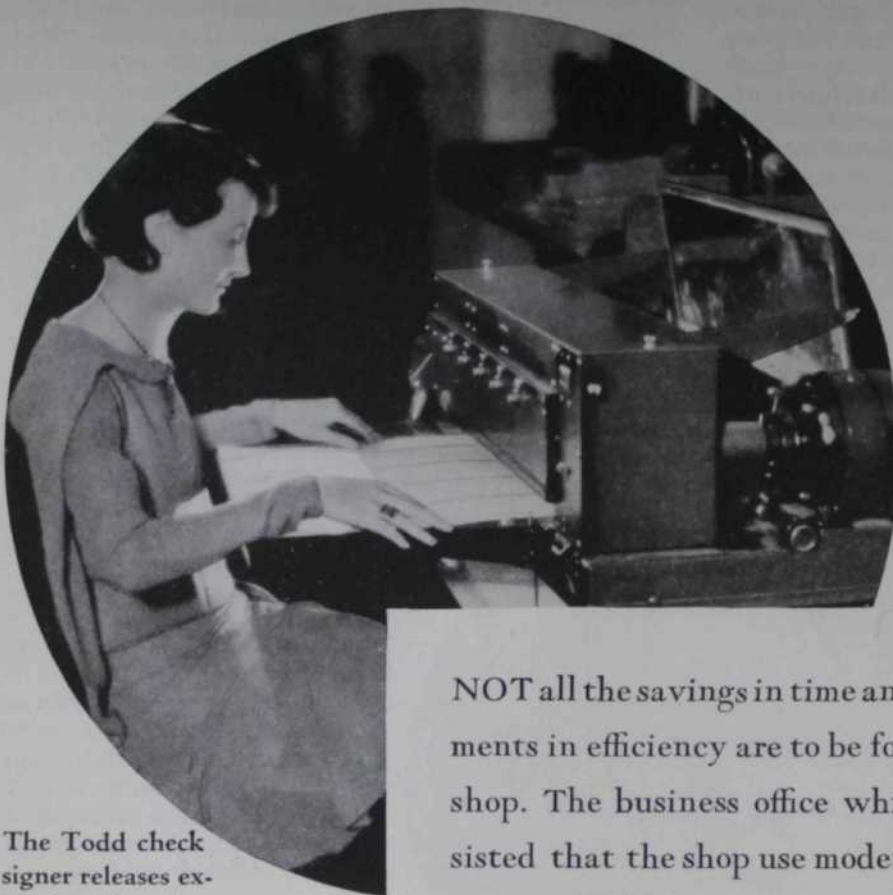
HARRIS & EWING

Louis Kirstein
Boston Merchant

may arise. Appeals from the decisions of these local bodies will be heard by the national adjustment group. The new boards' functions will parallel those of another emergency labor body, the War Labor Board, which was

set up by President Wilson, April 8, 1918. The present board was named by President Roosevelt at the suggestion of leaders of labor and industry on the two advisory boards of the National Recovery Administration.

Office



The Todd check signer releases executive time for constructive duties

★ WHOEVER mobilized the notion that there is no sentiment in business overlooked the care lavished on outmoded office appliances and equipment.

What this touching tolerance means in terms of cost has been pushed into open view by the enduring pressure of hard times.

These are days when office managers are put in a state of mind to fire all the old mechanisms that can no longer earn their keep. And never was there more inviting opportunity to "open the gates," as the A. B. Dick Company, Chicago phrases it.

Now, if ever, "new methods must be tried . . . old extravagances can no longer be tolerated," this maker of the Edison-Dick Mimeograph declares in proclaiming that the "quick ability to reproduce all kinds of office and factory forms, bulletins, letters, charts, and line drawings" has made it a prime factor in the new economy.

Spirited as the search for savings may become, it is evident that quality is not to be sacrificed to economy. As the Wabash Cabinet Company, Wabash, Ind., reminds its customers, "The public is interested in bargains just now—in fact, it is always. But its most enduring interest is in quality bargains, not price bargains. Quality is remembered long after price is forgotten."

It all gets down to the meaning of economy. As seen by G. A. Carnegie of

NOT all the savings in time and improvements in efficiency are to be found in the shop. The business office which has insisted that the shop use modern efficient practices is looking to its own house and re-equipping to get better results in less time. Old office equipment that cannot keep up with the present tempo is finding itself among the unemployed

the Carnegie Office Appliance Company, Norfolk, Va.:

"In the present market the average buyer is first interested in price and then service, economy and efficiency. The price complex encountered by salesmen everywhere is an outgrowth of the need for economy. Any machine or device that saves time or effort introduces economy."

Sales made on economy

TO R. D. Latsch, of Latsch Brothers, Inc., Lincoln, Neb., "The economy factor is more powerful today than heretofore. If your representative can convince a man that the purchase and use of the machine will effect economies which within a reasonable time will pay for the machine and make its subsequent years pure velvet, he will have made a sale provided the prospect can arrange terms of payment satisfactory to himself."

As for the opportunity to make replacements with consequent savings, the Autocall Company, Shelby, Ohio, says, "thousands of our systems in use should be revamped to be brought up to date.

Users are spending good money trying to keep old and worn equipment in working order. In normal times these systems would be traded in and new equipment installed, yet today in spite of liberal trade-in values we find users unwilling to spend money for new equipment."

One great trouble in selling signal and alarm services is that the full economy of adequate protection against fire and theft does not show up until loss has been suffered. Certainly every big fire is a little fire at the beginning. The first few minutes tell the tale between inconvenience and disaster. Delayed alarms favor fire and thieves.

For many years the American District Telegraph has been blocking fires and burglars with its detection and reporting systems. When its

"automatic watchmen" are put on duty they guard all parts of the premises, night and day. The idea is to spread the alarm of fire or of unlawful entry as fast as electricity will carry it.

A specific possibility of saving is defined by The Todd Company, Rochester, N.Y., makers of check protecting devices:

"Subtract the cost of five hours of clerical time from that of 62 hours of executive rates, and you will have only the minimum direct saving effected yearly by the Blue Streak in signing as few as three hundred checks a week. A most attractive dividend in itself, to which is added the return from executive time released for more constructive duties, the attendant economies of speeding up the whole check disbursement, and relief from manual labor."

A promotional effort focussed on banks was decisively prolific of sales, as this paragraph reveals:

"During the past year and a half we have sold our new ribbon model hand-operating Protectograph to more than 3,000 banks. These machines were bought because they offered new economy of operation and maintenance. We

Work Goes Modern

By RAYMOND WILLOUGHBY

made a special offer to banks to get the benefit of bank test and endorsement."

Small type saves paper

A NEW YORK firm produces monthly books of sales recommendations. An obsolete typewriter was being used for this important work. This firm believed that a new machine equipped with smaller type would save money. A Remington-Rand salesman got the order. Use of this smaller type saved 25 per cent, or more than \$1,400 a year.

A Wyoming, Pa., manufacturer modernized his office by installing a new Kardex visible index system. The working units consist of well-planned cards to which are attached colored signals. One of these cards is provided for each customer. The cards are arranged on trays, flat, with only the indexed name showing. In this office approximately 2,500 active cards are maintained. The company's sales promotion manager is confident that this new system has



BURROUGHS ADDING MACHINE COMPANY

Typewriter accounting machines save much time compared with older equipment

saved 33 per cent in clerical work.

An auto parts company of Warren, Ohio, handles approximately 15,000 items with an average stock of less than \$1.50 for each item. A visible card index system is used for stock records. Old methods were junked and Kardex Equipment brought into the picture.

The president tells the results:

We have tripled our business with less than 25 per cent additional stock. A few years ago, we were doing a \$40,000 volume with a \$17,000 stock. Today we are doing a \$120,000 volume with a \$21,000 stock and making approximately four turnovers a year. The stock control system has enabled us to reduce our inventory 35 to 50 per cent on many items and use our money for the purchase of additional items, instead of having it tied up in top-heavy stock of slow moving parts.

It requires the full time services of one person to supervise our stock records—yet under the old system this was necessary when we were doing only an annual business of \$36,000, and in those days our records were incomplete, with much depending upon memory to keep our



COURTESY ADDRESSOGRAPH-MULTIGRAPH COMPANY

The multigraph department of the Eureka Vacuum Cleaner Company produces sales bulletins, letters, dealer sales helps, and other miscellaneous printing at an estimated saving of 50 per cent

stock right. Today we have an accurate record of every item we sell. We know whether it moves fast or slow. We know when it shows signs of becoming obsolete, and this enables us to close out our stock. We are thus able to reduce our inventory of slow movers and to use our money for the purchase of normal moving items.

"How much could your present overhead be reduced by combining certain departments or department records?" This is a practical question asked by the Acme Card System. In offering to provide the answer, the company explains that "here's reduction of expense without loss of efficiency—exactly what you have been looking for in balancing your business budget to make a profit on present income."

Consolidating records

A MAJOR business problem today, as many business men have recognized, is more than increased sales. It is elimination of unnecessary expense, consolidation of departments, consolidation of records. More and more large companies are recognizing the economy of simplified recording of sales, credits, purchases, production and other detail.

Anticipating this need, the Acme Card System is ready to show how specific departments can be consolidated with economy and greater efficiency. Acme visible records enable management to "tighten up" control of men, methods and material. They give the executive an up-to-the-minute picture of what he wants to know and should know to get profits out of today's market.

Visible signals flash warnings on accounts overdue, call for action with customers who stop buying, customers' payments, salesmen's calls, follow-ups, products bought. They instantly signal when anything is wrong.

Guided by years of experience and serving every known kind of business, Acme has developed new short cuts in recording sales, credit, purchases, costs, inventory and employments. For example, new forms for two, three and in some instances more department records are being carried in one unit. Economies thus effected are helping executives balance their budgets and make a profit.

In every branch of commercial enterprise, whether the field be a small local community or of world wide scope, the Addressograph-Multigraph Corporation sees rich rewards for those who utilize new equipment to produce new profits from supposedly "skimmed-over" markets, old territories, and "unlikely prospect" fields. The experiences of Nathan G. Richman, of The Richman Brothers Co., "world's largest manufacturing retailers of men's clothing," and Alphonse Cuquet, progressive community grocer, support this view. In a year when business in general bemoaned hard times, The Richman Brothers Co. achieved new sales records and Cuquet increased his volume 35 per cent.

These men had discovered that business goes where invited and stays where it is welcome. Richman systematically keeps in contact with outlets, salesmen, and prospects through direct selling information that reminds them constantly of Richman Brothers Clothes. Cuquet's circularizes the trading neighborhood around his store with selling messages.

Other examples of businesses that have accomplished recent sales increases are the Perfect-O-Lite Division of Hachmeister-Lind Co., Pittsburgh, Pa., and Parkison's Store, Percival, Iowa.

Harry Hachmeister, Company Chief, writes: "In our international marketing of Perfect-O-Lite, we have enjoyed business increases graduating upward every

month. We are extensively using direct mail, produced and mailed with Addressograph and Multigraph, and are enjoying splendid results."

J. L. Parkison, selling general merchandise at Percival, Iowa, writes: "Because of heavy competition, and because we thought our market limited, we did not believe our business could be increased. However, after putting Addressograph and Multigraph direct selling methods into action for two years, our records show we have obtained a 40 per cent increase in trade."

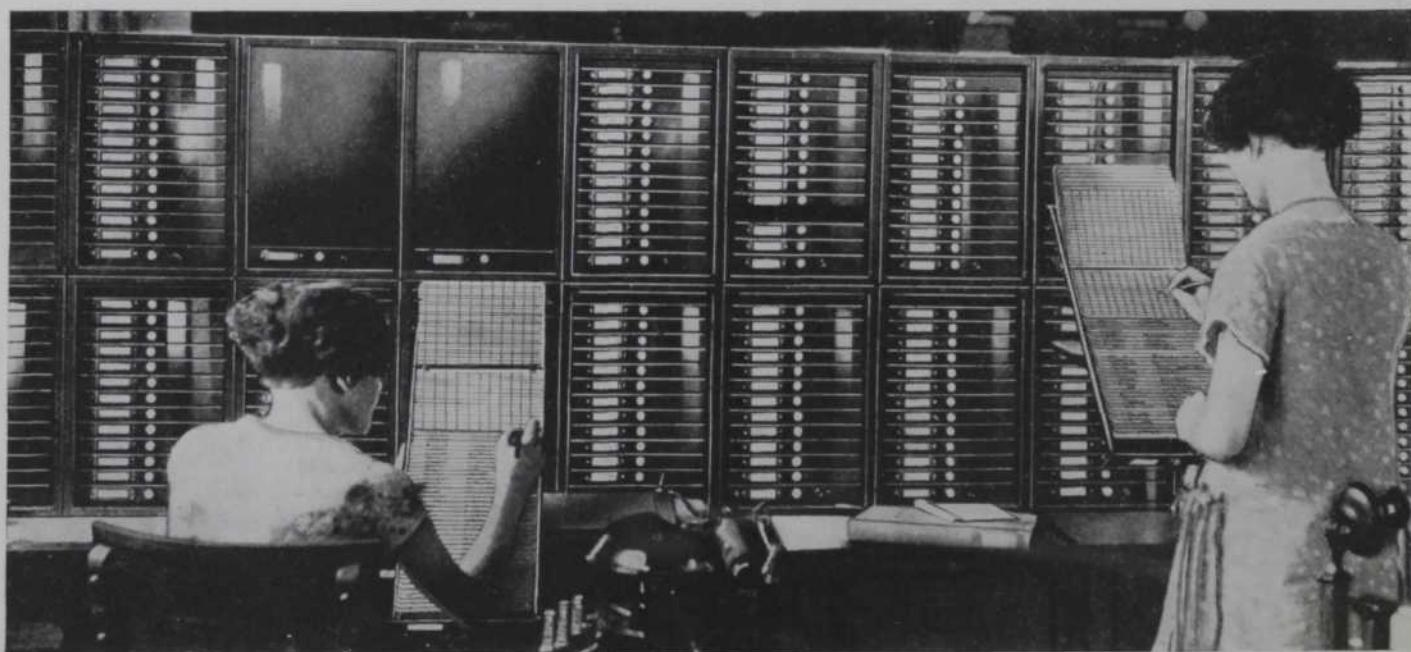
Harder work needed

WHAT was good enough four years ago isn't good enough today. If business is making progress today, it is because its managers are thinking straighter, acting quicker, working harder, speeding up the thousand and one kinds of "paper work"—from cost sheets to sales promotion material. Constant and vigorous cultivation of the "prospect list" is most important today, Addressograph-Multigraph executives say, because nearly all old customer lists contain many names whose buying power has been severely curtailed. The business that can apply new ideas and methods and keep costs down is bagging the orders.

A variation of this thought is provided by the Yawman and Erbe Manufacturing Company in summing up the economical usefulness of its visible index systems of card records. "Today's executive stands or falls by his capacity to make decisions instantly. Facts were never more important, their method of presentation more vital. Complete records must be available at a glance if decisions are to be quick and accurate."

Not all the gains are recorded in the

(Continued on page 46)



ACME CARD SYSTEM COMPANY

The arrangement of sales records so that they are more convenient to keep and at the same time disclose their valuable information more readily is a double saving

Uncle Sam's New Pocketbook

By CYRIL B. UPHAM

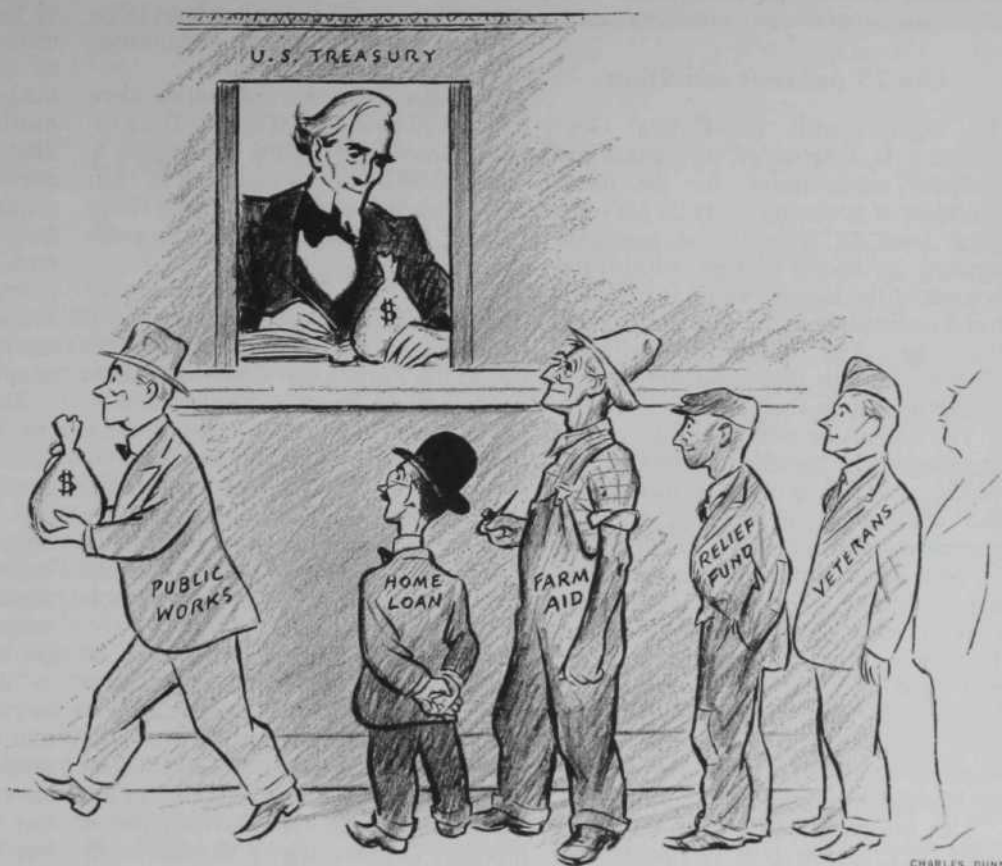
CONFRONTED with the task of balancing the federal budget in time of emergency, the Administration has set up a double budget. Why this was done and how it works are explained here

★ UNCLE SAM has a new pocketbook. His old one was getting pretty well worn. It seemed a bit undersized, too, for 1934 requirements.

There was some talk of using the huge money-bag which served as purse during War time. Out of its capacious recesses came public expenditures of nearly nineteen billion dollars in the peak year, 1919.

But the pocketbook of the War years, while more than ample to hold the funds to be used in the Peace-time "war" for business recovery, was rejected for one of the new styles. The 1934 purse is a new model billfold with separate compartments for money to be spent for "ordinary" or usual needs, and that to be expended for "extraordinary" or emergency purposes.

This is not, of course, a wholly new idea in billfold styles. The "double-budget" model has been used before. Fashions in purses, as in other things, run in cycles. Indeed, Uncle Sam himself used a sort of makeshift device last year in an attempt to remodel his old pocketbook into something approximating the new style. He tied up in a separate package what he called his R.F.C. money. This was kept in the same receptacle with his other funds, but apart from them. And when he counted up at the end of each day to see how much he had spent, and compared that figure with his income for the day, he didn't include the extraordinary emergency loans made through the Reconstruction



"These dollars are precious dollars. They are being contributed by the taxpayers to start a needed circulation of money"

Finance Corporation. That account he kept separately and considered it as a temporary addition to his debts.

What of the new budget?

HOW much money will the Federal Government spend in the fiscal year 1934, which began on July 1, 1933, and closes on June 30, 1934? Where is the money to come from and who will pay the bill? Has there been a saving in the ordinary expenditures? Has the budget been balanced? What is a "double-budget" and how does it operate? These are some of the questions which the businessman and taxpayer are asking.

Perhaps the most striking thing about the federal spending program is not its size but its character. The very mechanics of it are worthy of comment. There is now an eagerness to spend, a pride in spending, almost a passion to spend. Following years of preaching

economy, and of close scrutiny of expenditures made, the change is startling. Cutting red tape in pouring out the funds is occasion for acclaim. The publicity is all on the side of prideful boasting about the size of allocations and the speed with which outlays are made available.

Inevitably under such a system there will be some hasty and ill considered action, some errors, and perhaps some regrets. But speed need not mean carelessness, and there is evident a conscious attempt to reduce mistakes to a minimum and to make expended funds produce maximum results.

In a program to put money to work, for instance, there is a tendency, when lending to the states and cities, not to be too particular in checking up on what they do with the money. Heretofore it has been the practice, on federal aid funds for highways, for instance, to require a showing of the manner in which

previous appropriations were used before turning over new annual payments. These technicalities are difficult enough at any time. Under present conditions many of them will be waived.

The spirit of the present program is different, of course, from that of the past. The purchasing power of the Federal Government is being thrown into the breach to halt the depression and bring a return of business recovery. Fully as important as the total amount of money spent is the speed with which the whole program gets under way.

The 25 per cent reduction

TO BEGIN with, the Federal Government is determined to reduce its ordinary expenditures, for the usual functions of government, by 25 per cent. That must be done if the aggregate amount so spent is kept within the bounds of the income which is expected to be received from taxes, customs, and the like. The Administration has pledged itself to this reduction, and is proceeding upon that premise.

The various economy measures, such as reduction of benefits to veterans, pay cuts for federal workers, consolidation and elimination of bureaus, and departmental retrenchment generally, have all been in the direction of accomplishing this 25 per cent reduction. Certain items are difficult to reduce. Interest on the public debt goes on, and must be paid. The payments into the sinking fund, to retire that debt, must continue. This makes the burden of economy all the greater upon the departmental spending units.

The ordinary budget for the fiscal year 1933, exclusive of payments into the sinking fund for debt retirement, totaled around \$3,600,000,000. It is estimated that the figure for the current fiscal year will not exceed \$2,800,000,000. One-half of this amount is represented by two items—the Veterans' Administration and Interest on the Public Debt. In 1933, the extraordinary budget, as represented by the net expenditures of the Reconstruction Finance Corporation, totaled in the neighborhood of a billion and a quarter. There is no reliable estimate of what the extraordinary or supplementary budget may total in 1934, but it is expected to be more than double the 1933 figure. A single appropriation of \$3,300,000,000 in the National Industrial Recovery Act is made available for the fiscal years 1934 and 1935. Since early expenditure is regarded as important in stimulating recovery, it is likely that a substantial proportion will be spent in the current fiscal year.

The interest and sinking fund on this sum alone is figured at \$227,000,000, to be taken care of out of special taxes, which will be automatically ended with the repeal of the Eighteenth Amend-

ment, since it is thought that the revenue from liquor will be sufficient to make the special taxes unnecessary.

In addition to the \$3,300,000,000 for the construction of public works, the Congress has made possible a further program of public expenditure for emergency relief to the unemployed, to farmers, to home owners, and to others who are hard pressed by circumstances. Most of this program will be financed through the Reconstruction Finance Corporation, although the control over expenditure of the funds has been largely taken away from that organization and lodged in other agencies.

Thus the Relief Administration alone has control over \$450,000,000. The Federal Home Loan Board has access to \$100,000,000, and its members in their other capacity, as directors of the Home Owners' Loan Corporation, have available another \$200,000,000.

Through the coffers of the Reconstruction Finance Corporation there will be made available a sum of \$300,000,000 to the Farm Loan Commissioner to finance direct loans to farmers and to joint stock land banks. Loans by the R.F.C. to banks, building and loan associations, to processors of agricultural products, and for earthquake and fire rehabilitation, will be continued. Subscriptions to preferred stock of banks and insurance companies are authorized.

Other items of expenditure may be classified as either emergency or ordinary, according to the point of view. The authorization for a subscription of \$150,000,000 out of the Federal Treasury to the stock of the Corporation which will insure deposits in banks is probably in this category. So, too, is the \$100,000,000 which may be subscribed to preferred shares in federal savings and loan associations to be organized under the Home Owners' Loan Act.

The revolving expense fund of the Farm Credit Administration, the money made available to the federal land banks, and the expenditures for agricultural adjustment may be variously regarded as either ordinary or extraordinary in character. Much of the expense of the latter is expected to be taken care of outside the budget through the processing tax laid on manufacturers using basic agricultural products and competitive products. Manufacturers, however, may borrow money from the R.F.C. to pay the tax.

It should be mentioned in addition that the Home Owners' Loan Corporation and the Farm Loan Commissioner are each authorized to issue up to \$2,000,000,000 of notes, bonds and debentures, the interest on which is guaranteed by the United States. This creates at least a contingent liability, although probably will not entail any actual outlay of federal funds in the present fiscal year.

Not all of the money appropriated or authorized will be spent. But it is apparent that this program of spending means an unusual outlay during 1934. The extraordinary budget can easily exceed the ordinary budget.

One of the dangers in classifying expenditures as ordinary and extraordinary is that some of the former, rejected on their merits in the interest of economy, are revived and made possible in the latter class.

Thus it has been indicated that some of the projects cut out of the departmental requests and estimates in order to balance the ordinary budget have made their reappearance in the supplementary budget. In partial defense of this it may be said that these are projects which have been planned, the details of which have been agreed upon, and upon which work can begin at once, thus speeding up the whole program of recovery. Likewise, it may be considered desirable to employ, in the emergency activities, the personnel eliminated by the economy measures.

The chief means to be employed by the Government in putting cash into the hands of the people is through a program of public works. While it is important to move ahead rapidly in the expenditure program, Secretary of Interior Ickes, in charge of the public works money, has served notice that waste and extravagance are not to be permitted.

"While our purpose is to forge ahead as rapidly as possible," he said in a recent address, "let no one think that we propose to waste the taxpayers' money on unnecessary or foolish projects. No one need ask for an appropriation unless he presents a project that is sane from both an engineering and a social standpoint."

Already more than \$1,000,000,000 of the \$3,300,000,000 has been allocated to public works projects. Some of these are wholly federal, where the entire cost is paid by Uncle Sam, while others are entered upon in cooperation with states and cities.

Is there enough income?

IT IS important to give attention to the income side of Uncle Sam's budget. Where will the money come from with which to fill his new pocketbook, so that the planned expenditures may be made?

In so far as the ordinary budget of \$2,800,000,000 is concerned, it is hoped that the returns from taxes, customs duties, and miscellaneous receipts will be sufficient to cover that amount. It has been estimated that taxes at the present rate of return will yield in excess of \$2,000,000,000.

The supplementary or emergency budget expenditures will presumably be financed by borrowing. That an issue

(Continued on page 54)



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Charting the Course of Business . . .

National recovery . . .

★ IT IS a commentary of sorts that a close adviser of the President should say that the very volume of industry's response to the voluntary partnership proposal made necessary the formulation of a "blanket" code. Whatever the pressure for its presentation, the immediate and immense reaction to the President's radio appeal for cooperation in advancing his plans and hopes provided its own evidence of the underlying unity on which he counted.

Certainly no member of the business community could be indifferent to the Administration's desire for a general revival of trade, with larger returns to labor and an increase of buying power all around. The people are eager to go forward with the job of recovery. If slogans, badges, and new marching orders will speed the attainment of the great objective, no one will want to blow cold on progress with the bellows of "cavil." The abrasive of hard experience has burnished the popular realization that it is "time for patience and understanding and cooperation."

That the deep-seated instincts of his countrymen are an open-book to the President is again attested by the intimate terms he so easily established with his listeners. Those who have believed the presidential thought colored by a "brain trust" are set right by the reminder, "I happen to know that professional economists have changed their definition of economic laws every five or ten years for a very long time." The literal and the factual both had their recognition in the assurance that he is not recommending a "cure-all," but rather a promising experiment which can succeed if the people will it so.

It is one thing to fear that the nation may get off the familiar road. It is quite another to know that the road is under repair and to determine to use it forewarned of its hazards.

Work for the decoders . . .

★ AS THE growth of law breeds lawyers, it is reasonable to expect that the bumper crop of industrial codes will nourish a plurality of plain and fancy decoders. Business is beginning to see that its new charters under the National Industrial Recovery Act will be to no purpose failing a pliancy to meet changing conditions. Moreover, the interrelation of modern business is so sensitive that a continual readjustment of the rules and regulations adopted by one industry will be necessary to bring them into line with those governing its commercial contacts. Nor is it illogical to anticipate that within each industry there will be many men of many minds on the concept of the clauses.

It is pertinent to ask who is to compose these divergences

of opinion. The Recovery Act simply says that "the several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of any code of fair competition approved under this title; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations."

That clause alone looks comprehensive enough to spell a congestion for the Federal juridical machinery that would outsnarl the superlative court clutter traceable to the Volstead Act.

More taxes or economy? . . .

★ "GOD, send us something new to tax," might well be the prayer of the politician. State and city alike, hard driven by unbalanced budgets and the difficulties of borrowing money. Sales taxes by cities piled upon sales taxes by states have been proposed.

Income taxes have been added to income taxes. Automobiles and gasoline have been squeezed until the automobile owner rebels. New York City proposed to add to the tax on resident automobiles and then offset that by a toll on automobiles coming into the city.

The same community looked greedily upon dancing masters, beauty parlors and a half dozen like subjects of taxation, but hesitatingly decided that the revenue wouldn't justify the cost of collection. Paris and other cities once levied an "Octroi" on goods coming in at their gates. New York might try it if the constitutions of city and state would permit. Salt taxes and window taxes were once common but the trouble with them is that politicians are always hopeful of taxing the few for the benefit of the many, although it's the many who always pay. An Eastside flat of four rooms probably is taxed in the rent proportionately more than the 20 room duplex on Park Avenue.

Some day politicians will learn—or be taught—that the other side of the ledger—the spending side—can be attacked with better results.

Canadian electric plants . . .

★ CANADA has been held up to us as an example of how successful government owned power and light plants may be. Senator Norris has filled pages of the *Congressional Record* with figures and assertions about the Ontario hydroelectric system and the cheapness of its product.

Some figures from a Canadian government report for 1931 are of interest. There were in the Dominion 559 plants of which 396 are commercial and 163 municipal plants. The

latter generated about four billion kilowatt hours and the former about 12. Roughly there were two and a half times as many commercial plants and they produced two and a half times as much electricity. But the revenue of the commercial plants was \$72,000,000 as compared with \$50,000,000 for municipal plants. Expenses for commercial plants were \$32,500,000 as against \$43,000,000 for municipal plants, a most disproportionate figure.

One explanation is in the number of workers. The 163 municipal plants in 1931 had 8,778 employees while the 396 commercial plants had 8,236 workers, and the great difference was in officers and men employed in non-generating work.

Another contrast is of the way in which the commercial and municipal plants met the depression. Here's a figure:

In 1931 the commercial plants did \$1,250,000 more business with 25 less employees while the municipal stations with \$1,800,000 less revenue had 875 more employees.

The municipal plants may be effective as a means of checking unemployment, but their efficiency seems open to doubt.

Low rates and fair returns . . .

★ DECISIVE in the Interstate Commerce Commission's 7 to 3 refusal to order a blanket reduction of railroad freight rates is the philosophy that commodity prices alone are not the controlling factor in determining the reasonableness of rates. This majority state of mind is rationalized against the fact that the freight rate level "is still relatively higher than the commodity price level."

It is readily observable that when prices rise, regulated freight rates do not ascend in proportion. The truth is that they may move downward, as they did in 1922. If it be kept in mind that the rates are predicted on a "fair return" to the railroads and not on the possible latitude of earnings indicated by the expansion of business opportunity in good times, the logic of protecting rates in hard times seems inescapable. If earnings are to be limited in boom periods, then there seems no good argument why rates should be forced down when commodity prices tumble.

In justification of its position the Commission points to the present level of rates—20 per cent below that of 1920, and more than 10 per cent under that immediately following the rate cut of 1922. To the majority's way of thinking, the present rate structure, as a whole, is "not depressing the volume of traffic or business of the country." What reduction would mean is eloquently suggested in the explanation that with a blanket reduction "no greater than 10 per cent, unless there were a greater increase in traffic than now seems probable, and unless large additional government aid were extended, many more carriers would be forced into receiverships or reorganization, with consequent serious losses to investors in railroad securities among who are many savings banks and life insurance companies."

The quality of circulation . . .

★ WHEN an advertiser buys a page in a periodical what does he get for his money?

The opportunity to present the case for his product to those who buy and read the periodical.

He can measure quite definitely the number of those who buy. Circulations are in these days generally known and figures are accurately kept and readily available. Thank the Audit Bureau of Circulations for great advances in that line. When the publisher of *The Pursuit of Happiness* tells you that his weekly sales are 127,204 copies, A. B. C., he's telling you the truth. He's also telling you how that circulation was obtained, by direct sales, by newsstand copies, by clubbing offers, with the help of premiums. He cannot tell you how many of the 127,204 copies are really read. He can give you

proofs along this line, letters to the editor, the results of questionnaires. But the advertiser is never going to overlook the question of how subscriptions are obtained. More and more and more he's learning to consider that point.

Great Britain has been learning this lesson. The three great popular dailies of London, the *Express*, the *Herald* and the *Mail*, have been fighting a battle for circulation and have been using premiums as weapons. They are giving away sets of Dickens, cameras, electric irons and tea sets. They have spent \$10,000,000 in the battle. Results? The *Express* and *Herald* have each a bit more than 2,000,000 a day and the *Mail* 1,700,000.

The London Economist makes this pertinent point:

The four months of expansion represents broadly either an extensive population hitherto unaccustomed to reading a morning newspaper or, alternatively, the successful persuasion of three-quarters of a million readers to buy more than one paper to grace the breakfast table or light the kitchen fire. From the advertiser's viewpoint the distinction is material.

A fact of which advertisers are more and more cognizant.

Effects of the new laws . . .

★ AS EVERY business man knows, good salesmen's daily reports afford an excellent medium through which to feel the pulse of business. We had the opportunity of thumbing through a collection of such reports in the office of a publishing company recently. They revealed in a graphic way some of the varied effects of new governmental policies on business.

One salesman reported a call on a large middlewestern construction company as follows: "Their business is very bad and all their clients are up in the air because of the Industrial Recovery Act. It will take some time for them to know just what effect on their business this Act will have."

Another reported a call on an eastern manufacturer of bank check paper: "He does not yet know what all this new legislation will offer them but expects to see results soon."

Still another called on an investors' syndicate, reporting: "They desire to issue more securities but these will be effected by the Securities Act. They expect statement of policy and requirements by Federal Trade Commission soon, but until they know how they can operate they will mark time on advertising."

A fourth called on a power company and reported: "They are badly hit by taxes and now face the added tax shifted from the consumer to power producers. They see no sign of their early renewal of advertising."

Governmental ownership . . .

★ TO ASK "how near is public ownership of the railroads?" suggests an imminence which is bound to take its degree from feeling for or against the policy involved. It is a former Interstate Commerce Commissioner, Thomas F. Woodlock, who points the topic with the question, "Would a proposal for public ownership be defeated today?"

Public control of management will be extended, he thinks. Writing in the *Wall Street Journal*, he says that the inevitable end of the extension of that sort of control is "public ownership." His thought is broadened in this paragraph:

Between "regulation" carried to lengths of that sort and "government operation" is but a short step, and who could blame railroad owners for being willing in sheer discouragement, to take the step? They would have less to lose than anybody.

Acknowledging the popular question of whether government would be more efficient, he adds some question marks of his own:

"Suppose we had gone to perpetual government ownership in 1920, does anyone suppose that we would have today the

kind of service that we have? It has been fashionable in "regulative" circles to blame the managers of railroads for neglecting possibilities of "research." The *Railway Age* (July 1, 1933) contains some interesting details on this point, which cause one to wonder whether governmental operation would have bettered performance very much. Would Government, for example, have made a saving in 1929 of \$91,000,000 in fuel as compared with 1920 by greater efficiency in its use? Would it have saved in 1929, as compared with 1920, \$1,212,000,000 in total operating costs?

As pertinent, perhaps, would be the question of what government ownership of railroads would mean to other kinds of transportation. Would there be any modification of waterway and highway competition were the rails to be brought completely under the paternalistic wing?

Reasons for higher wages . . .

★ AFTER an idea is propelled into the consciousness of organized society, the world is usually a bit surprised that it was not previously aware of the lines of thought by which it approached. The concept of the minimum wage, for example. It was developing long before the New Deal got in motion.

In NATION'S BUSINESS for September, 1930, Edward A. Filene, head of a great Boston store, declared that "it is no longer necessary to argue that high wages based on high production are good for business." As to how each individual business could stand the strain of a rise in wages, he said, "The answer is that increased wages must be based on increased production. Not necessarily speeding up, in the sense of making everybody go through more motions per minute and get fagged out earlier and earlier each day; but some way must be found whereby each person's labor shall be made to count for more than it has been counting if wages are to be adequately raised.

"The scientific manager, confronted with a minimum wage," Mr. Filene wrote, "knows that markups cannot permanently recoup a loss; and it will be his first business to see to it that no one's wages is a loss to the organization. In other words, he will show the sales person how to be worth the higher than usual figure." And further, "higher wages, instead of being the bugbear which employers have traditionally imagined them to be, are one of the profitable necessities of efficiently managed business."

How familiar that position now seems in the light of the Administration's recovery evangelism—and how persistent the problem of "showing the sales-person how to be worth the higher than usual figure."

Investigation-itis . . .

★ AN AGE which is coming to look upon business codes as the sign manual of an industrial civilization could find a proper precedent for the present multiplicity of hearings in the congressional itch to investigate. With the turn of the season on Labor Day several committees are scheduled to give ear to racketeering, affairs in Wall Street, airmail contracts, and "bankruptcy rings."

Beginning October 3 the Senate Committee on Banking and Currency will resume its quiz of private bankers. Senator Copeland, chairman of a committee investigating racketeering and crime, plans to hold hearings in Washington in September. Senator Wagner heads a committee to investigate reports of peonage on levee work along the lower Mississippi River. A special Senate committee headed by Senator Black of Alabama is investigating ocean and airmail contracts with a view to slashing Government subsidies.

Senate and House committees are looking into bankruptcy proceedings. The House Judiciary Committee is inquiring into charges of a monopoly of receiverships in New York. Senator McAdoo wants a Senate inquiry into alleged

"bankruptcy rings" in western cities. A Senate sub-committee will investigate the milk business to ascertain cost of production, and prices received by farmers, middlemen and retailers.

Whatever its aptness, there is no promise of exemption in Plato's counsel, "To a man full of questions, make no answer at all." If the adjournment of the Congress suggests a finality of oral activity, its investigations indicate an aural perpetuity.

Investigate the investigations . . .

★ HOW is it that we have never had an investigation of congressional investigations? The ineptness of these official probings is common knowledge and constitutes a persistent charge against them as a device for fact finding. Were these inquiries on a higher level of efficiency, it might be possible to tolerate with better grace the cynical suspicion that "the gentlemen play politics, aim for headlines, bedevil witnesses or pursue the juicy, irrelevant scandal."

Any one who tries to assimilate a fat volume of "hearings" finds it rather hard to escape the impression of a maze of detours. And as for the essence of the subject matter, phantoms seem wrestling with phantoms in a fog of extraneous issues. Even when pertinent testimony is brought into view, the lay observer is bewildered with the complexities of inquisitorial interest and the difficulty of giving these intricacies a proper weight. John T. Flynn, one of our most prolific iconoclasts in the business field, sums up this point in *Harper's* magazine,

If a Senate committee embarks upon an investigation of speculation it sends for the president of the Stock Exchange, a few stock brokers, two or three eminent commercial bankers, perhaps an eminent economist or two, and solemnly asks them what they think of speculation. . . . It is never revealed that these lofty gentlemen have not once studied the economic effect of speculation and the results which it produces in the whole economic society. The eminent economists either approve of it or they call it gambling, which gets us no further, since they, too, have never given a dozen hours of thought to the matter.

One of the most censorious indictments of this system is defined in a contemporary view that "rarely, if ever, does a congressional investigation leave behind it a record which is not studded with missed opportunities and needless confusions." In a world which must continue to rely on human nature for the solution of its troubles, it may still be too much to hope for a Utopia in which Congressmen would be trained to be expert at being Congressmen.

Gold keeps its prestige . . .

★ GOLD does not lose any prestige, whatever the edicts and declamations about the gold standard for currencies. By all ordinary standards it is more precious than ever.

There is no underconsumption, overproduction, or unemployment in the recovery of gold. More of it is likely to come from the ground this year than ever before. In the decade of high gold production in California, the world's output averaged only six and a half million ounces. This year it will probably exceed 23,000,000 ounces.

Nor is the newly mined gold all that is becoming available for monetary stocks. India is returning to the outside world gold from its vast hoards at a rate of more than 8,000,000 ounces a year. That there are great amounts still untouched there is apparent from the fact that India has as yet exported only 44 percent of the gold it took out of the world's supply since 1920—and nothing has as yet come from the gold that India laid out in the long years before 1920!

The gradual processes are clearly under way which will cure many economic ills, without the beneficiaries always being aware of the source of the help that has come to them.

How Merchants View the Upswing

By PAUL H. HAYWARD



ARE consumers really buying again? If so, why? Representative American merchants offer answers to these and related questions which give new insight into the present situation

into summer. Put into words, it would read something like this:

"Is the current business recovery solidly founded on consumer buying, or is it chiefly a recovery in production, fostered on the one hand by fear of higher prices and on the other by hope of increased purchasing power?"

A complete answer cannot be had from business charts and indices. Most of the accepted indices are based chiefly on production and so-called "heavy industries." These do indeed show marked and gratifying gains.

But what of that vital first part of our question? Is the consumer really buying again, and if so, why? The best answer to that and to further questions which naturally follow can be had from the nation's retailers, the men in daily, intimate contact with the buying public and its hopes, moods and fears.

Store executives speak frankly

NATION'S BUSINESS asked executives of leading department stores, chain stores and mail-order houses the country over to answer those questions. To encourage utter frankness they were told that their names would not be used. More than 25 plain-spoken replies were received. Let the writers give their own interpretations of the upswing.

First, because their enterprises reflect nation-wide conditions, let us see what national chain-store and mail-order executives have to say.

Here is a letter, dated July 29, from the chairman of the board of a chain of dry-goods stores. He writes:

"The current business recovery is based on retailers' anticipation of higher prices, public confidence, and public anticipation of higher prices. Where



mills and factories are running again it is due to reemployment.

"Distribution is by no means making gains comparable with production, however. Our sales show approximately a ten per cent increase over the lows of a year ago. The increase has largely occurred during the last 60 days.

"We are ordering more freely, but

★/BITTER experiences of the depression years have taught business men to receive anything that smacks of returning prosperity cautiously, even though gratefully.

One question, therefore, has been uppermost in the minds of thoughtful members of the business community as this spring's business gains carried over

I'M STALLED AGAIN . . THAT'S THE
THIRD TIME IT HAS HAPPENED
THIS WEEK!

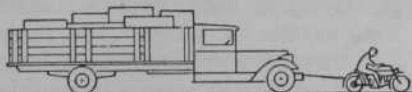
UNDERPOWERED, EH? WE HAD
THAT TROUBLE, TOO — BUT
NOW THE BOSS KNOWS WHAT
HE'S BUYING. HE GOES BY THE
REO SLIDE-RULE

Why **GUESS** what truck to buy..

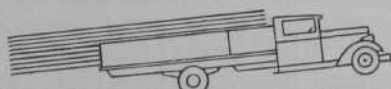
WHEN THIS SLIDE-RULE PROVIDES THE ANSWER



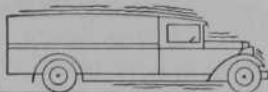
Reo salesmen are trained to talk facts. They analyze your problem, tell you what you need—and leave the decision to you. Many an operator has run down the source of excessive costs and irregularities of service by calling in a Reo man. Would you like the Reo Slide-Rule check-up? No obligation whatever. Just write Reo—or phone your Reo dealer.



UNDERPOWERED—This unit is so underpowered that gear ratio "doctoring" is necessary to compensate. The result: increased piston travel and gas consumption reduced daily range of travel.



BAD LOAD DISTRIBUTION—This truck has more load back of the rear axle than ahead of it. Very hard on rear tires, axles, gears, bearings, springs and frame. Steering and front brake efficiency greatly reduced when climbing hills.



WRONG GEAR RATIO—Here is a truck that is geared so low for occasional heavy pulls that the engine races and shakes itself to pieces trying to keep up with traffic on level roads.

\$575
AND UP

REO MOTOR CAR CO.
LANSING—TORONTO

● Why let a salesman's optimistic claims determine your choice of a truck, when the Reo copyrighted Slide-Rule makes the decision with mathematical accuracy? With this impartial, fact-finding device, guesswork and idle talk are eliminated from the truck deal. You buy exactly what you need.

BUILT RIGHT—Reo can accept the Slide-Rule's verdict because Reo trucks are built to do an extraordinary job. Only a truck with a Gold Crown Engine can be expected to stand the usage and deliver the miles you get from a Reo.

SOLD RIGHT—Reo salesmen are trained to confine themselves to facts—facts as disclosed by the Slide-Rule and the Reo system of Ability Rating, which tells you precisely what specifications a truck must have to operate with maximum long-life and economy under any given conditions.

AND THEY LAST—Reo's reputation as "the longest-lived truck built" reflects Reo's traditional policy of giving more than the average value. There are Reo trucks in operation today that have seen steady service for 12 and 14 years. And the 1933 Reo Trucks, Speedwagons and Trailers are better than ever before.

WRITE today for the Reo Truck Work Sheet upon which you may list information that will enable Reo to tell you the right power, capacity and wheelbase needed in your operation for the longest lasting truck performance. No obligation.

Reo Speedwagons and Trucks range from 1½-6 Tons. Price Range—\$575-\$2,595. 34 wheelbases—4's-6's-8's. Tractor-Trailer units from 15,000 to 32,000 lbs., gross. All prices chassis f. o. b. Lansing, plus tax.

are having trouble getting deliveries, partly because manufacturers (we suspect) are holding low-cost stocks for higher prices, and partly because everybody seems to be ordering more freely.

Rural districts lead the way

"If there is any difference as to increasing buying power between rural and urban communities, I would say that rural districts are making the better showing. The pick-up is spotty.

"Regarding employment in our own stores, we really need more people. If wages and hours are set reasonably, the pick-up in business would allow us to raise wages generally and put many more to work."

The president of a large mail-order house has this to say:

"Sales are increasing and in my opinion will continue to increase through the fall months. The increase is relatively recent, mostly since June 1.

"This increase is primarily due to higher commodity prices and to some increase in employment and wages.

"In our own business we are beginning to increase employment. Personally, I am very optimistic."

Sales are increasing also in that close-to-the-people institution, the "five-and-ten-cent store," writes the president of one of the larger chains and adds:

"With us this increase is a natural one, due to improved conditions.

"We first felt improvement in the middle-west and southwest agricultural districts, then in manufacturing cities, and now it has become general.

"The trend of prices is decidedly upward; but there is no doubt but that a number of producers attempted to take advantage of code requirements considerably in advance of their actual operation. This we have resisted.

"Some of the increased production has been the result of speculative buying, in which, by the way, our organization has not been involved.

"We have formed a trade association and have written a code which calls for increases in wages and employment."

But the upswing is not continuing with some organizations, as the follow-

Either it has not the money or not the spirit. Personally I feel that it is a case of not having the money.

"Retail prices have moved up slightly, and according to the present trend they will not advance greatly, if at all, for the next few weeks.

"Our stocks are lower than a year ago. Hand-to-mouth buying seems advisable, rather than enthusiastic plunging.

"As regards employment I enclose a copy of my letter to district managers, which shows that we have already taken a definite stand."

(The letter orders adherence to a 40-hour week in all stores, and employment of an additional man in stores previously manned by one or two men.)

A more optimistic note is struck by the president of a chain of women's dress shops, who writes:

"We began to feel improvement in sales in April, and the trend has been definitely upward since. I believe the improvement has been brought about by a combination of factors—confidence in continued employment, cessation of wage cuts, slightly increased employment and expectation of higher prices.

Prices are tending upward

"THE present trend of prices in our field is upward. This trend will be accelerated by government regulations increasing manufacturing and retailing costs. We have been buying for requirements only, possibly being a trifle more liberal in ordering staple lines.

"We expect to find it necessary to add a considerable number of employees."

Now let us turn to conditions in food distribution, as seen through the eyes of the president of a large voluntary chain organization. He writes on July 22:

"There is no question about the improvement in the grocery business. There has been a decided improvement in buying in agricultural sections. Actual income of farmers has increased and they are spending money. In larger cities, increase in sales is noticeable but not as much as it is in rural sections.

"There also has been a decided improvement in wholesale sales and purchases, and these are in excess of retail sales. Low stocks make this quite natural, however. A great deal of wholesalers' buying during the past 60 days has been in anticipation of higher costs.

"Hand-to-mouth buying, prevalent during the last three years, has changed. All are buying in larger quantities, and here danger lies if there should be any serious reaction in basic prices.

"There is evidence of increased employment and some upward trend in wages and salaries."

The president of another grocers' organization, a large cooperative in the East, remarks:

"I believe the current business recovery is chiefly speculation, although there



EWING GALLOWAY, NEW YORK

Merchants are definitely turning away from hand-to-mouth buying policies. They are stocking up, especially in the staple lines

"The trend of retail prices is upward. The movement has been rather slow, but in September retail prices will increase materially.

"Sales to farmers and in smaller communities are not as great as in the larger cities. This is to be expected because most farmers do not get their money until after September 1. We expect a greatly increased business from rural communities in the fall.

ing letter, dated July 21, from the president of a national chain of men's furnishings stores, indicates:

"Either marked or gratifying gains are totally absent in our line. The sudden spurt of business, followed by almost a total cessation, such as we are witnessing since the end of June, amounts almost to a phenomenon.

"Advices from all over the country indicate that the public is not buying.

Conserves her energy...



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increased production



The keyboard is standard—there is no new touch to learn

THE MOTOR RETURNS THE CARRIAGE

A mere touch of the "return" key, which is conveniently located on the keyboard, causes the motor to return the carriage to the starting position, or to any predetermined intermediate point. Spacing to the next writing line is automatic . . . and accurate.

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A light depression of the "shift" key (normally used to shift the platen manually) causes the motor to shift the platen instantly to the upper position. Thus, "shifting" is instantaneous, light and easy . . . the motor does the work.

WITH Burroughs Electric Carriage Typewriter—most modern of all typewriters—the fast flying fingers of the skilled typist need never leave the keyboard. The built-in motor does the heavy work, permitting the typist to concentrate all her time, attention and energy on producing more and better typing.

Like all Burroughs typewriters, this new machine is built to give long, dependable, economical service. It carries the Burroughs guarantee. It is backed by Burroughs' own worldwide service organization which has, for so many years, kept all types of Burroughs elec-

trically-controlled machines in continuous and profitable operation.

See this new machine . . . examine it . . . have it demonstrated on your own work, in your own office. Or write for illustrated, descriptive folder, to Burroughs Adding Machine Company, 6229 Second Boulevard, Detroit, Mich.

BURROUGHS
Electric Carriage
TYPEWRITER

is considerable consumer buying due to renewed confidence. Our last few weeks' special increase is principally due to advance in prices. We believe it is good business to buy ahead in some lines, but in others advance buying would seem to be gambling."

In New York State

FURTHER insight into grocery conditions is revealed by the president of a New York State firm of wholesale and chain-store grocers who says:

"It is our opinion that the current recovery is largely founded on consumer buying. We have stores in a certain section of Buffalo in which steel workers reside. Since the steel plants have started up, sales in these districts have increased materially. Buying is based not only on increased purchasing power and more employment, but also on confidence.

"Our sales increase started in April and has been building up ever since. Stocks are heavier, owing to advancing markets. The trend of retail prices is upward. Sales in rural districts have increased much more than in cities.

"Our stores are already overstaffed, and we do not expect to increase employment to any extent."

The treasurer of a New England food chain, writing on July 28, says:

"Our retail sales are showing some increase, due largely, I believe, to anticipation of higher prices. The increase started about 60 days ago when the probable result of the agricultural processing tax was comprehended.

"The trend of retail prices is upward. We have anticipated such advances by purchases and contracts larger than normal. We expect to increase employment, but whatever wages or employment we furnish above normal must be added to retail prices."

The president of one of the largest grocery chains in the Middle West, writing on July 20, estimates the grocery situation there as follows:

"Sales have been increasing for 90 days. My guess is that the increase is due 50 per cent to fear of inflation and higher prices and 50 per cent to improvement in business.

"Retail prices are trending upward, but have shown no such advance as wholesale prices. This is the usual lag.

"We have to an extent abandoned hand-to-mouth buying.

"Rural stores and those in smaller communities have shown a much larger increase than those in urban centers.

"We do not expect to increase our number of employees. Today we are employing within two per cent of the number we did at our peak."

One more voice from the grocery field deserves to be heard. It is that of an executive of a large food chain, having headquarters in the West. He says:

"Sales have really increased. Acceleration has been more rapid in the past few weeks.

"Consumer buying is largely due to hope of continued employment, reemployment and some increase in wages.

"The trend of retail prices has been upward. We have increased our commitments for forward deliveries and



EWING GALLOWAY, NEW YORK

The increase in consumer buying is ascribed in the main to expectation of higher prices

abandoned hand-to-mouth buying. When prices are advancing we must commit further in advance to insure an adequate supply of merchandise.

"Sales in rural districts have increased more rapidly than in the cities."

Now, while in the West, let us hear also the president of a large California department store. He says:

"From May 1 we have had a betterment of business. In that month we registered an excellent increase, also an increase in June, which July will not equal. My belief is that the recovery in production has not been due to a fear of higher prices, so it must be in hope of increased purchasing power.

"Retail prices in our field have already shown some advances and will show more as costs increase.

"We have bought more heavily of certain staple lines, but shall endeavor to continue to keep stocks active rather than heavy. We have endeavored to keep employment at a maximum and expect to increase it."

A more general view is afforded by the manager of a retail trade bureau in another West Coast city. He writes on July 26:

"Sales here are increasing, dating back approximately 90 days.

"It is due both to a return of confidence and expectation of higher prices—principally the latter.

"Hand-to-mouth buying still prevails, with an increased tendency to make stock more complete but under no condition to overbuy."

The secretary of a similar trade group in an Oklahoma city writes on July 24:

"I believe the current recovery is founded on consumer buying. For the past three months or more there has been a noticeable increase in sales.

"With a rising wholesale market it will be necessary to advance retail prices. I feel certain that the tendency will be to carry larger and better assorted stocks. In fact some merchants are having trouble now in making purchases in needed quantities.

"I do not think that expectation of higher prices has affected consumer purchases here, although it will probably play an important part later on."

The secretary of still another retail merchants' association, this one in a large eastern city, writes:

"The current business trend is chiefly founded on consumer buying. The increase is probably due to some extent to expectation of higher prices, but I believe in a much greater degree to a return of confidence.

"Retail prices here have shown only slight increases, except for cotton and woolen goods. Replacement prices have shown a greater advance.

"There is a decided tendency to increase stocks of staple lines, the result of the rising market.

"Permanent improvement is also indicated by the increase in the number of individuals seeking credit with retail stores. This may not be regarded as an important factor by some, but my experience leads me to believe that few persons seek credit unless they are in a position to meet their obligations."

So much for spokesmen for merchants' associations. Now let's get back to the retailer himself, hearing this time from the president of a large eastern drug chain, who doesn't feel so cheerful. He tells us:

"While I regret to say it, to me there is nothing in the current business recovery to indicate a solid foundation.

(Continued on page 42)

Early PRINTER Accused of MAGIC

LEGEND has it that Johann Fust—once supposed to be the original Dr. Faustus—arrived in Paris about 1464 with a number of Bibles printed by the German firm of Fust and Schöffer.

Printing was yet unknown in Paris, so Fust created a sensation by selling printed Bibles at prices one-third those for hand written Bibles.

Investigation disclosed a large number of Bibles in Fust's lodging and he was accused of magic, chiefly on account of the uniformity of the printed copies, compared with the hand written ones known in France.

Had Fust's Bibles been printed on Kleeffect—The Perfect Printing Paper—the evidence of uniformity would have been overwhelmingly against him.

In Kleeffect the qualities that printers have always wanted have been combined in perfect relationship and uniformity.

A smooth surface without glare and with proper ink absorption, strength suited to high speed presses, color that permits precise color work, and an opacity more than sufficient to prevent solids from showing through—not one superior quality is achieved at the expense of another in Kleeffect. In Kleeffect there is no "two-sidedness." Wire marks are eliminated. Both sides of the sheet are uniformly surfaced, insuring the same printing qualities on the two



sides. And all achieved at a price no greater than that of just printable paper.

Publishers, printers, and advertisers have in Kleeffect—The Perfect Printing Paper—an opportunity of reducing cost and raising the quality of magazines, catalogs, and other printed pieces.

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- If interested in learning more about this new paper—Kleeffect—just ask on your business stationery for the book, "The Printability of Certain Papers—and Why." Please write the Advertising Department, at our Chicago address.

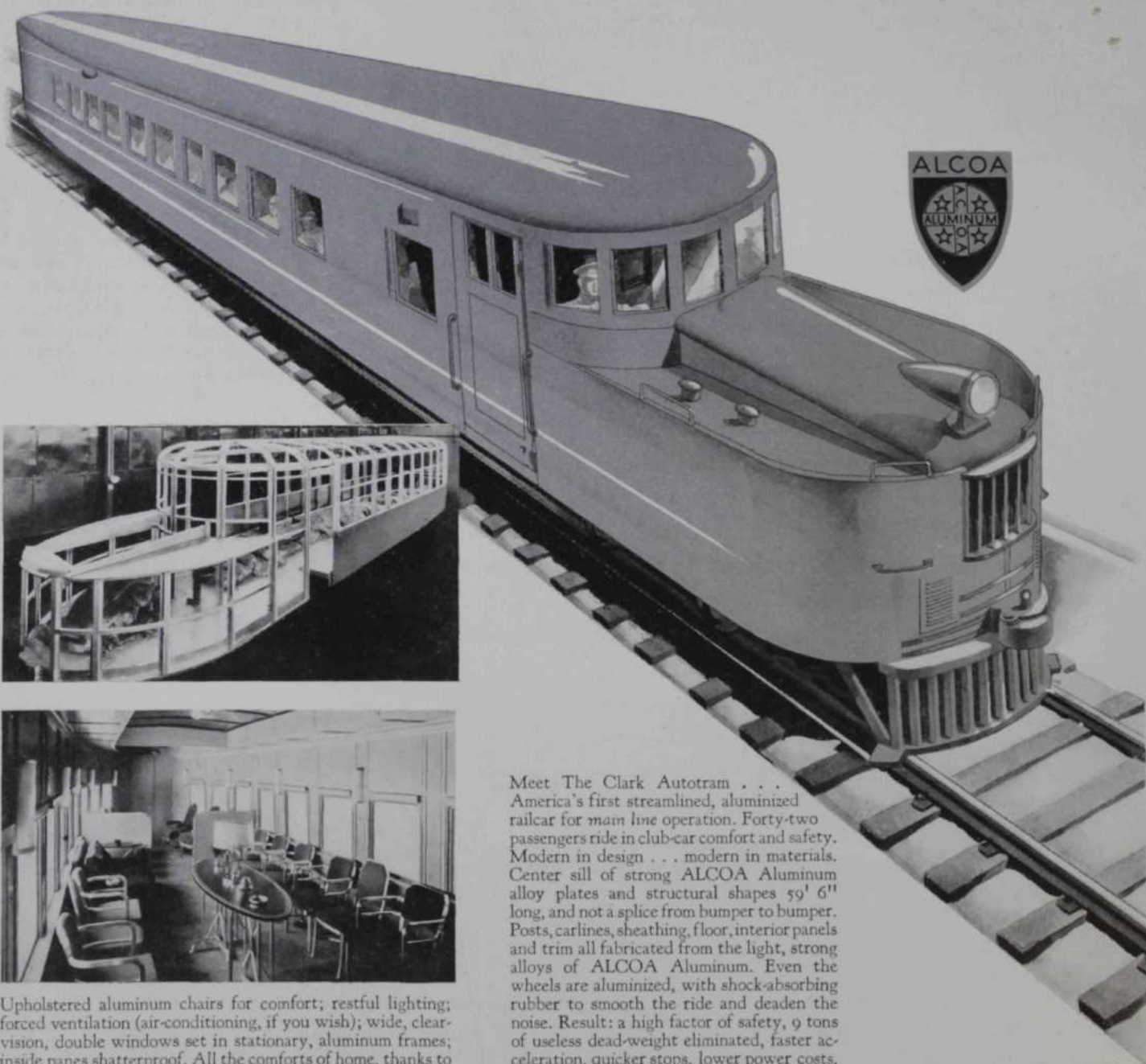
ALCOA Aluminum

SPEEDS the wheels of Transportation

Speed and more speed, with *safety*, comfort and economy—that's what the transportation industry wants today. And that's just what the alloys of ALCOA Aluminum offer. Here's the metal with the strength of structural steel, yet only one-third the weight. The metal that lops off tons of dead weight, cuts power and maintenance costs, permits swift starts and quick stops, lets the engine pull heavier loads at higher speeds or the same

load at less cost. Above all, properly designed aluminum cars are safe. This light weight, high strength metal permits building cars with an increased factor of safety and ability to withstand shock.

Not only in railroading, but in street cars, motor buses, mine cars, truck bodies, overhead cranes, factory trucks—wherever mass is in motion—ALCOA Aluminum alloys cut down mass and speed up motion, with safety.

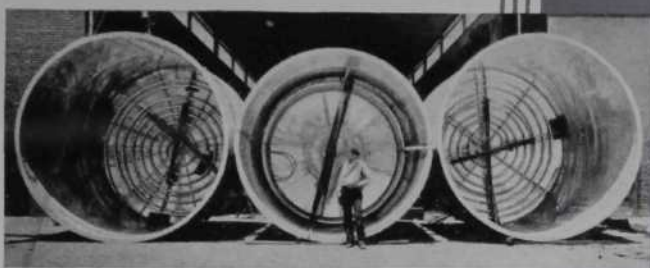


Meet The Clark Autotram . . . America's first streamlined, aluminized railcar for main line operation. Forty-two passengers ride in club-car comfort and safety. Modern in design . . . modern in materials. Center sill of strong ALCOA Aluminum alloy plates and structural shapes 59' 6" long, and not a splice from bumper to bumper. Posts, carlines, sheathing, floor, interior panels and trim all fabricated from the light, strong alloys of ALCOA Aluminum. Even the wheels are aluminized, with shock-absorbing rubber to smooth the ride and deaden the noise. Result: a high factor of safety, 9 tons of useless dead-weight eliminated, faster acceleration, quicker stops, lower power costs, less maintenance of equipment and track.

Upholstered aluminum chairs for comfort; restful lighting; forced ventilation (air-conditioning, if you wish); wide, clear-vision, double windows set in stationary, aluminum frames; inside panes shatterproof. All the comforts of home, thanks to the many forms and shapes of ALCOA Aluminum alloys used for interior trim, fittings and furnishings.



... and the wheels of your industry, too



Largest Aluminum Tanks Ever Fabricated on Pacific Coast—Used by a soap company for storage of fine vegetable oils. Two of the tanks are 12 ft. in diameter by 10 ft. high. The third is 11 ft. in diameter by 12 ft. high. Made of $\frac{1}{4}$ " ALCOA Aluminum alloy sheet, butt welded, with ALCOA Aluminum alloy tubing heater-coils. Why aluminum? Because ALCOA Aluminum is non-contaminating.



You can gild this lily. ALCOA Aluminum in many colors? Of course, colors so different in character that they put new sales appeal in old packages. Aluminite process electro-chemically fuses color into the surface as an integral part of the base metal. Thus the color will not chip or flake off.



Working on the Railroad—Working in the shop, too, and doing more work with less effort. Shovels of ALCOA Aluminum, that have long life, weigh only a fraction as much as old-time "banjos". Ideal for handling foodstuffs, meat products, because ALCOA Aluminum is non-contaminating. Just right for bench molders and for spading concrete into forms or any other back-breaking shovel job.

No matter what industry you're in, Aluminum can speed up your production equipment, make your product more practical and attractive. Aluminum cuts dead weight off machines, makes for easier, faster work. Aluminum is non-contaminating, no matter what comes in contact with it. It's non-magnetic, high in heat and electrical conductivity. Yet despite its light weight, it has the strength of structural steel. Used in your product, it lessens weight, adds beauty and attractiveness. Even the paint made with aluminum pigment can help in your plant, by brightening up interiors, protecting inside and outside surfaces from smoke, acid fumes, rust and weathering.

Tell us the nature of your business, and we'll tell you how Aluminum can help you, either in production equipment or in product improvement. We'll also tell you how to use, form, or handle ALCOA Aluminum. ALUMINUM COMPANY of AMERICA; 1825 Gulf Bldg., PITTSBURGH, PA.



Nobody does anything about the weather! Several manufacturers have. Here's one new portable humidifier. An oasis that gives parched air an automatically-metered drink, absorbs excessive moisture from depressingly-humid rooms. Casing, motor housing, fan blades, tubing, stampings are all of ALCOA Aluminum. They cut the weight to just 20 lbs. Aluminite finish lends colorful beauty that stays beautiful because ALCOA Aluminum resists corrosion.

Lifts the Deadweight from Lift-Trucks. . . Less weight in the truck means more load in the tote box. ALCOA Aluminum alloy castings for the cross heads, king-bolt cap and wheels; ALCOA Aluminum alloy rectangular bar and angles for the frame cut 40% from the truck's weight, saving wear and tear on factory floors, speeding shop haulage, bringing the overhead down.



ALCOA ALUMINUM

"A PERFECT DINNER — AND THE PERFECT CIGARETTE... CAMEL"

Camels are made from finer, MORE EXPENSIVE tobaccos than any other popular brand

THE successful hostess plans her menu with great attention to flavors. However famous her mushroom soup may be she does not serve it before roast duckling, but offers instead a simple bouillon.

After fine food only fine tobacco can be really enjoyed—that is why Camels are so often served in homes famous for their thoughtful hospitality.

Leaf tobacco for cigarettes can be bought from 5¢ a pound to \$1.00, but Camel pays the millions more that insure your enjoyment.

*Jewels by Marcus Linen by Mossé
Crystal by Plummer
Flavor and mildness by Camel*

Copyright, 1933, R. J. Reynolds Tobacco Company

What the Chambers are Doing

THE chambers of commerce are working as they have not worked since war times in furthering the many phases of the national recovery program

★ **REPORTS** from chambers of commerce throughout the country show that the local chambers are working wholeheartedly for recovery in general and are using to the fullest extent the tools provided in the National Industrial Recovery Act and other new laws of the hundred days Congress.

The trade associations' work to get together and coordinate the activities of the members of their own industries relieves the chambers of much work especially in the more industrialized centers; but in the smaller communities the chamber of commerce has to be both information bureau and coordinator in inducing the businesses to cooperate with the NRA program.

The chambers' most common activities in furthering the recovery program are: formulating a local plan; encouraging sound projects under the public works bill; helping farmers to get the advantages under the Farm Relief Act; coordinating the activities of retailers in face of new conditions; and bringing unorganized business into line under the blanket code.

Below we quote paragraphs from secretaries of a number of chambers. These reports show not the total activities along this line of any particular chamber, but the things that most of the chambers are engaged in to a greater or lesser extent:

WE HAVE made it a point to get together the various groups of industries represented here in an effort to reach a common understanding as to the mode of procedure. We have also been acting as the agent of the entire community in presenting our request for federal aid under the public works bill.

Our retailers are somewhat disturbed

by rising prices. However, there is a general desire to cooperate and, in my judgment, the NRA program will receive practically the 100 per cent backing of this community. We have the entire section well organized and we are devoting practically all of our time to putting across this program.

W. G. GASTON, *Exec. Sec.*,
Gastonia Chamber of Commerce,
Gastonia, North Carolina.

THE code feature of the New Deal has demanded a great deal of attention from us. Unorganized groups have depended upon the Chamber for service in the preparation of their codes. Groups that are organized have passed the codes over to us for final revision.

This community has, as yet, made no application for federal aid in connection with any public works project, with the exception of highways.

G. E. COLLISON, *Mgr.*,
Denver Chamber of Commerce,
Denver, Colorado.

OUR local committee under the public works bill is composed of the most substantial and representative men in the community who declared it to be their policy that no proposition would be submitted to the Government that wasn't honest, sane, practical, needed for public benefit and safe in the matter of repaying the public loan.

It has long been a part of our program to investigate every stock selling scheme that comes to our attention. Under the new law work of this character will be much more satisfactory.

RAY GILL, *Sec.*,
Beaumont Chamber of Commerce,
Beaumont, Texas.

THE National Industrial Recovery

Act has given our organization an opportunity that we have not had in many years to be of real genuine service to the entire community.

On the recovery section of the Act, we have become the clearing house for information and for assistance. Probably not a day has passed in the last two months that we have not had at least one meeting of some group for the purpose of discussion or working on a code. At all of these meetings some member of our staff or member of our special committee has been present.

The Blanket Code merely intensified this service of ours. For the last four or five days we have been the scene of continuous activity in answering questions, making interpretations and giving suggestions. We are now prepared to handle the educational campaign.

The almost daily bulletins and communications from the United States Chamber of Commerce have made it possible for us to become the clearing house on information for the National Industrial Recovery Act. Never before since the organization of the United States Chamber has it been of such direct help to our organization.

JOHN D. ADAMS, *Gen. Sec.*,
Des Moines Chamber of Commerce,
Des Moines, Iowa.

BEFORE NIRA was signed by the President, we called together the secretaries of all trade associations in Sacramento. We organized them for the purpose of quickly disseminating information to all trade groups the instant NIRA became a law. Simultaneously President Schnetz appointed a National Industrial Recovery Committee under the chairmanship of the chairman of our Industrial Committee.

Since that time the trade groups in Sacramento and trade groups covering our entire trade area have been called together—have met in the Chamber of Commerce building—have had the guidance of the Chamber's Industrial Recovery Committee—have completed their organization and, in a large number of cases, developed a local code which, of course, has been in line with codes being developed by national interstate bodies.

With the announcement of the Presi-

dent's Re-employment Agreement we appointed a "key man" in each trade group (no matter how small the group) to act as the representative of that group. A committee (varying in size according to the membership of the individual group) has been appointed with the "key man" as chairman for the purpose of securing complete "sign-up" of the membership of his group.

Six days are given for this purpose. If at the end of the six day period groups are not signed 100 per cent, special strong-armed committees will call on the individuals and firms failing to sign the contract. These same committees will act as the policing agency to see that every person signing a contract lives up to his agreement. The committees will report "infringements" to the Chamber of Commerce. It, in turn, will report the infractions to the United States Assistant District Attorney.

The Agricultural Committee of the Chamber of Commerce has as its personnel a representative from each of the farm groups and farm activities in our trade area. This is our committee for handling and disseminating information relative to the Farm Relief Act. The direct application of the work is in the hands of our county farm adviser.

ARTHUR S. DUDLEY, *Sec.-Mgr.*,
Sacramento Chamber of Commerce,
Sacramento, Calif.

SALES are increasing in stores under the observation of our retail department and are not due to seasonal trends.

On asking three of our largest stores as to what they attribute this increase, the following answer has been received: "We believe the increase is due both to the expectation of higher prices and to the return of confidence in continued employment and better wages." This is true not only of the department stores trade, but also of all retail establishments, which are beginning to feel the benefit of the more stable employment given people who have been out of work for many months.

EDW. N. WEINBAUM, *Mgr.*,
Retail Merchants Department,
Portland Chamber of Commerce,
Portland, Oregon.

UNDER the National Recovery Act we are trying to get all of the information that we can as to what industry must and can do in helping toward the recovery of business. This has entailed the study not only of the part of the Act relating to industry and business, but has led us into the study of the financing program to pay for this new deal. This has been done by the Secretary alone. Just as soon as we know what we are expected to do under this new Blanket Code we will organize committees and will get results.

Under the Farm Relief program we are endeavoring to spread the gospel of this

legislation among our farmer associates. It is set up chiefly for the producers of wheat, cotton, tobacco and corn and we, being in a dairying country, are controlled very largely by our Milk Control Board of the State of New York.

Our retailers are the ones to which we have been giving the greater amount of our attention. I believe we will be able to give them the help they need.

WILLIAM R. LUNK, *Sec.*,
Auburn Chamber of Commerce,
Auburn, New York.

THE press and the radio have been used to dispense information; groups have been called together, and a central committee of representatives of more than one hundred business and civic organizations has been set up for the dispensing of information in carrying out the wishes of the Administration. This central committee is administered and directed by a committee of 15 representative men, who will direct the course of affairs here in Omaha.

GLEN B. EASTBURN, *Sec.*,
Omaha Chamber of Commerce,
Omaha, Nebraska.

SO FAR as we are concerned, we have adopted the policy of helping any and all groups simply to get together—to understand the purpose and details of the Acts, to lend our good offices in launching new or rebuilt organizations; but we have neither attempted to recruit their crews nor chart their courses.

CHARLES M. KETCHUM, *Sec.*,
Greensboro Chamber of Commerce,
Greensboro, N. C.

WE have tried to keep our members posted by bulletins and have also given information over the telephone, called conferences, etc., and I am of the opinion that as a result the people in Alexandria are aware that we immediately changed our policy so as to fit into the new scheme of things.

DAN S. HOLLENGA, *Bus. Mgr.*,
Alexandria Chamber of Commerce, Inc.,
Alexandria, Va.

WITH regard to the public works program, we so far have had that headed up here by the city government officials. We want only essential things done with any money we might obtain under the public works program.

With regard to the farm elements out here, we are keeping in close touch with all that through our Northwest Development Committee, which is headed by Frederick E. Murphy of the *Tribune*, now a member of the Wheat Commission at Geneva. You will recall that we have large cooperative farming groups out here such as the Twin City Milk Producers and the Land O'Lakes Creamery Company. That is a difficult problem to handle because agriculture as usual is split up into thousands of units. Naturally, here lies our great in-

terest and we cannot hope for much out of the Recovery Act if the farmers of the Northwest are not aided.

P. S. WILLIAMS, *Exec. Sec.*,
Minneapolis Civic & Commerce
Association,
Minneapolis, Minn.

WE have taken no action with reference to farm relief other than assisting our farmers in making up applications for reduction in cotton acreage. In connection with our farmers, we are endeavoring to interest them in a cheese plant, and are at present making a milk survey of the Pine Bluff trade territory.

GEORGE C. MERKEL, *Sec.-Mgr.*,
Pine Bluff Chamber of Commerce,
Pine Bluff, Arkansas.

EARLY in June our manufacturers committee, which represents about 150 leading firms in Cleveland, adopted a resolution pledging cooperation in industrial recovery. Since then members of our staff have been sitting in with code makers from many lines of industry, counselling and advising as far as possible. Our club rooms are filled daily with industrialists who are formulating their codes of fair competition.

MUNSON HAVENS, *Exec. Sec.*,
Cleveland Chamber of Commerce,
Cleveland, Ohio.

OUR local industries are cooperating on the lumber code, with four representatives from this community now in Washington, D. C.

The Aberdeen and Hoquiam Chamber of Commerce offices have been put at the disposal of the Secretary of the Farm Relief Association, and an invitation has been extended to farmers to come in and make application, or otherwise receive assistance they need.

We assisted in organizing local trade and service groups and will continue to do everything necessary to carry out NIRA and NRA. There appears to be an excellent spirit in our business and industrial group to cooperate fully with the President and his program.

F. W. MATHIAS, *Manager*,
Grays Harbor Chamber of Commerce,
Aberdeen-Hoquiam, Washington.

PRIOR to and after the passage of this Act we have been holding a series of meetings with our manufacturers to familiarize them with all details of the proposed legislation. We continued these meetings after the passage for the purpose of discussing proposed codes.

After the President's Blanket Code was announced we held meetings of all manufacturers in New Castle County, Delaware, explaining the provisions of the Code and secured from them a resolution recommending its adoption.

GERRISH GASSAWAY, *Mgr.*,
Chamber of Commerce,
Wilmington, Del.

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ASK that small boy of yours today what he is going to be when he grows up. You may smile indulgently when he tells you proudly the kind of hero he intends to be. You may wonder whether he would get the most out of life in business, in a profession, or as an expert in some particular line in which you are interested.

But one thing is sure. He will find himself, more surely and more quickly, if he has an adequate education before he goes to work than if forced to complete needed education after working hours.

The boy who has not had sufficient training may be denied employment for which he has natural inclination. Oftentimes

he is told he is lucky to get any kind of work. If he would win a high place in one of the professions, he will have a hard struggle without university training.

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How Business and NRA Cooperate

A Thumbnail View of Progress Made Under the Recovery Administration

★ THE following calendar was prepared in an effort to give at least a partial view of progress being made by the National Recovery Administration and to show on what a broad front business men are cooperating to bring the Government's plans into operation.

No effort has been made to list the literally hundreds of codes which have been presented for consideration. In this day by day account are given only those codes on which action had been taken or scheduled by mid-August.

June 27: Hearing on Cotton Textile Code began; concluded June 30. Code approved July 9 and in force July 17.

July 19: Hearing began on Shipbuilding and Ship Repairing Code presented by the National Council of American Ship Builders. Closed July 21. Code approved July 26 to be effective after ten days.

Hearing began on code filed by National Electrical Manufacturers Association. Concluded July 21. Hours and wages put into effect August 2. Code approved August 5.

July 20: Hearing began on code submitted by 28 associations in the lumber and timber products industry. Concluded July 26.

Hearing began on code filed by Industrial Council of Cloak and Suit Manufacturers, Inc., et al. Concluded July 21. Code approved August 9.

Hearing began on code submitted by American Petroleum Institute. Hours and wages put into effect August 8.

July 22: Code submitted by the silk and rayon dyeing and printing industry put in effect pending hearing.

July 24: Hearing began on code filed by National Association of Wool Manufacturers. Concluded July 25 and approved July 26.

July 25: Hearing began on code filed by Rayon Weavers Association. Concluded same day. Terms accepted temporarily and put in effect August 2.

July 26: Hearing began on codes filed by the Clothing Manufacturers Association et al. Hearing recessed July 27.

July 27: Hearing began on code filed by rayon and synthetic yarn producing industry. Hearing concluded same day. Hours and wages put into effect for purposes of blanket code on August 2.

July 28: Hearing held on code of American Lace Manufacturers Association.

July 31: Hearing called and recessed on code filed by American Iron and Steel Institute.

August 1: Hearing held on code filed by National Millinery Council.

August 2: Hearing held on code filed by the cast iron soil pipe association.

Hearing began on code filed by International Association of Garment Manufacturers and Shirt Institute, Inc. Recessed August 3.

Codes filed by the radio and bedding industries and by the American Bankers Association put into effect pending hearing.

August 3: Hours and wages proposed in a code filed by the zinc industry were accepted temporarily and put into effect pending hearing.

August 4: Hearing held on code filed by the photographic industry. Hours and wages put into effect for purposes of blanket code August 5.

Hours and wages put into effect for purposes of a blanket code in the following industries: Advertising specialties; ice cream; fluid milk; knitted outerwear; oil burner; optical; paint, varnish and lacquer; printing; toys and playthings; wheat and flour milling; retail lumber, lumber products; building materials and building specialties; gasoline pump manufacturing; ice; paper box manufacturing.

August 5: Codes submitted by the mayonnaise and linseed oil industries and in the magazine and periodical publishing fields were temporarily accepted and put into effect pending hearing.

August 7: Hearing began on code filed by the Corset and Brassière Association of America.

Hearing began on code filed by the wallpaper manufacturing industry.

Wages and hours were put into effect for purposes of a blanket code in the storage battery industry.

August 8: Hearing began on code filed by the National Lime Association.

Hours and wages were put into effect for purposes of a blanket code in the following industries: Barber shops and beauticians; cheese; confectionery; evaporated milk; lithographers; coal retailing; jewelry retailing; saw and steel producers.

August 9: Hearing began on the code filed by the bituminous coal industry.

Wages and hours for the copper and brass mill products industry and terminal grain elevators were put into effect pending hearing.

August 10: Hearing began on the code filed for the legitimate theaters by the League of New York Theaters, Inc., and the National Association of the Legitimate Theater.

Hearing began on the code filed by the National Association of Hosiery Manufacturers. Hours and wages of this code were put into effect July 26.

Hearing began on the code of the underwear and allied products industries.

Hearing began on the code filed by the knitting machine and braiding and wire covering machine industry.

Hearing began on code filed by the National Dress Manufacturers Association, et al.

Wages and hours were put into effect as a blanket code in the following industries: Electric light and power; label manufacturing; laundries; restaurants.

August 11: Wages and hours were put into effect in the following industries: Boot and shoe manufacturing; cotton batting; wholesale drug.

August 14: Hearing began on code filed by the Associated Fishing Tackle Manufacturers.

Hearing began on code filed by the Salt Producers Association.

August 15: Hearing began on code proposed for retail trade except food and grocery distributors. The code was temporarily put in effect July 31.



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CLOSE to those who live in small towns, and farther out upon the farms, is the helpful service of the telephone operator.

In the truest sense, she is both friend and neighbor. Ties of kinship and association bind her to those whose voices come across the wires. Through her switchboard pass many messages that are important to the life and business of the community.

Bright and early in the morning she puts through a call that helps a farmer locate a drill for sowing oats. Another connection finds out if Jim Thomas, "over near Bogard," is feeding a bunch of calves and needs any shelled corn. Another gets the latest price on heavy hogs for Bill Simpson, and helps him catch the market near the

top. Through the day she aids in calling a doctor for Mrs. Moore, whose baby is ill. Plugs in an emergency call that sends an ambulance east of town. Puts through a long distance call for Bob Roberts, whose boy attends the state college. Then, through the night, stands ever ready to help those in need.

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How Merchants View the Upswing

(Continued from page 32)

"Insofar as I can see in my industry any unusual buying at wholesale is due to fear of higher prices.

"In industrial centers where we operate there has been a slight pick-up due to increased employment.

"There has been no trend toward higher retail prices in our field, and we have only increased stocks on such items as cotton products and tobacco."

Finally, we'll explore further the department store situation. From the president of one of the largest stores in New York comes this statement:

"Sales show a tendency toward improvement.

"Retail prices have not tended to increase as yet, but with indications of wholesale prices advancing more rapidly than seems justified, the lag of retail prices cannot continue. I understand that many retailers have laid in heavy stocks. I should not think, however, that by and large the stock in hand plus outstanding orders is very much heavier than in normal years.

"In our own store we have a few more people than a year ago. We shall increase that number considerably."

From the president of another front-rank New York department store comes this brief comment:

"As to what may be expected in the near future I am unwilling to prophesy. We are hoping for a decided improvement. Sales were very satisfactory in May and June but July has not been giving such good account of itself."

Looking for better sales

A FLORIDA department-store executive writes:

"We have just set up our quota for our new fiscal year. It is based on a 15 per cent increase in sales.

"April, May, June and July have shown increase in sales. We believe part of this is due to expectation of higher prices. We have covered ourselves on staple merchandise for three months. We shall increase employment about November."

The president of a Pennsylvania department store remarks:

"Much of the current recovery is due to a conviction that the Administration program will cause a general business expansion accompanied by higher prices. Such recovery as we have experienced thus far largely represents rehabilitations at the low-price market.

"Sales began increasing in April. May was considerably better, June slightly better than May, and July may equal June.

"The trend of retail prices is decided-

ly upward. We have covered early buying of staple merchandise because we believe such merchandise will be slow in delivery by reason of restricted production and hesitancy of manufacturers to pay higher mill prices. Future buying will depend on consumer demand. Employment in our store has increased."

The president of another large Pennsylvania store warns:

"I believe the current recovery is based on consumer fear of higher prices, and is not on a solid foundation. Our sales increase dates back to April.

"Trend of retail prices is dangerously upward. We increased stocks as a measure of protection."

From a city further westward, in Ohio, another executive writes:

"Relatively, business is better, average sale is somewhat higher, and dollar retail business is for the first time in almost 30 months ahead of a year ago. This has been true only since July 1.

"Prices promise to be much higher for fall. The new scale may be too abruptly high—it may discourage buying. However, if the public's reaction is at all like that of retailers, the abrupt increase will be so dramatic as immediately to stimulate retail buying."

The president of a northern Ohio department store gives these views:

"We began to notice a slight increase in sales in April. May showed further improvement and June still greater.

"There has not been enough reemployment in our district to establish this as a reason for the improvement. We attribute it to general depletion of consumer necessities, distribution of dividends in closed banks, and reduction of hoarding.

"I believe present buying by retailers is due to anticipation of a normal fall business, possibly larger than in 1932.

"Taxes and raw-material price increases will reflect in retail prices, but must be carried to the consumer cautiously. Today the retailer has no margin to absorb additional costs."

The vice president of another department store in northern Ohio says:

"Undoubtedly there is an uptrend in sales. It began some time in April.

"The improvement is due partly to a return of public confidence and partly to probability of higher prices."

Then this merchant interjects a word of caution: "Our guess is that much of the industrial recovery is unfortunately due to production of so-called 'shelf-goods' and of some advance speculation in commodities by retailers. If this be true, and it continues two or three months longer, retailers will have absorbed their needs and there will be a slowing up in retailers' buying, followed

by break in the price level." From the general manager of a Chicago store, there is this note:

"Since April our sales have increased. The Century of Progress here has probably been responsible for an appreciable percentage. However, some part is undoubtedly due to expectation of higher prices and to a return of confidence.

"Retail prices have shown signs of advance and, we believe, are indicative of decided advances in the next few months. This has led us to change from hand-to-mouth buying somewhat."

In conclusion, a St. Louis department-store executive says:

"The present business recovery is probably due both to wearing out of the depression cycle and fear or anticipation of inflation.

"Retail business during the last 90 days has been somewhat better, but must improve considerably more to absorb increased pay rolls. Retailers have been reluctant to increase prices on wide scale.

"Large retail institutions have done more advance buying than usual, in anticipation of higher prices. It is important to note, however, that the stock of manufactured goods is increasing, indicating that retailers are not moving merchandise into consumption as fast as it is being produced.

"Employment in the retail business is just beginning to increase and will undoubtedly increase more this fall."

Surveying their various opinions, we find these merchants agreeing that the trend of prices is upward.

There is also almost unanimous agreement that the consumer is playing an important part in the upswing through renewed purchasing.

Higher prices help sales

THERE is general agreement that the increase in both wholesale and retail sales has been caused largely by expectation of higher prices. Confidence in continued employment is given as a lesser but still important cause of renewed consumer buying. Reemployment is making itself felt also.

The consensus is, however, that the increased purchasing power first demonstrated itself in rural districts and smaller communities, thence spread to larger communities and has now evidenced itself more or less generally.

Several merchants indicate a feeling that some manufacturers and wholesalers have unwarrantedly increased prices, and nearly all, while expressing reluctance to increase their own prices, see such increases as inevitable.

The majority of the merchants indicate that they are increasing or expecting to increase employment in their organizations. Finally there is evidenced a definite turning away, especially in staple lines, from hand-to-mouth buying.

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◆ **NOVEL** premiums are being tried in test campaigns by one automobile company. One premium is a free auto radio with every car; another a free trip to A Century of Progress. The latter offer includes rail transportation to Chicago, meals, hotel room, admission to the grounds and to 81 exhibits. The trip's arranged when the prospect makes a down payment; at the end of his three-day holiday he gets delivery of the car in Chicago or at the factory as he elects.

◆ **A LESS-THAN-CARLOAD** container which carries hard coal all the way from mine to consumer's bin has been devised by a Pennsylvania coal company. Filled with the specified size and weight at the mine, the containers are placed aboard cars by crane, moved from car to truck or storage in the dealer's yard in the same way. They permit a single car to be loaded with a variety of sizes, serve as storage receptacles in the dealer's yard, eliminating the necessity for the old-type coal pockets. Rate questions are holding up their use at present.

◆ **COAL** dealers in a New Jersey city are co-operating in building up domestic consumption of coal during summer months through a city-wide drive to install automatic, coal-burning water heaters. They arranged attractive financing terms, started the drive with a parade in which trucks of all dealers participated, and carried it along with advertising.

◆ **TO** aid its retailers a packing company has evolved a slide rule for pricing retail cuts of beef and veal. The retailer who desires a certain gross profit on either carcasses or

wholesale cuts adjusts the rule until his desired gross profit figure is brought under his cost per pound. He then can read off the prices he must charge per pound for various retail cuts in order to achieve his desired profit.

◆ **TO THE** lengthening list of packaged farm products add rhubarb, asparagus and blueberries. Celery pioneered some months ago. Waxed paperboard containers with transparent cellulose windows were used, keeping the product fresh much longer, reducing waste and spoilage, facilitating handling and control by retailers. The latter found no difficulty in getting 15 cents a bunch for the boxed celery in place of the usual ten. Tomatoes came next, four to a box, the hydrator package preserving their moisture content, preventing shrivelling for weeks. Strawberries and mushrooms are among other products successfully packaged.

◆ **A SUGAR** company is making its twelve-and-a-half pound sugar bags from a well-known brand of toweling, reports both grocers and housewives pleased with the plan. When the bag is emptied the housewife rips open the seams and provides herself with a kitchen towel 30 inches long, fourteen-and-a-half inches wide.

◆ **A NEW YORK** department store used a full-page advertisement to announce a ten per cent increase in salaries for its entire staff of employees and to assure "the Administration behind the National Recovery Act" of its "sincere and fullest cooperation." "We hope," the advertisement continued, "that this small gesture on our part may lead the way to increased earning power in our industry. . . ."

◆ **THE THOUSANDS** of bathers at one of the popular Long Island beaches lend their ears—perforce—to the "largest public address system in the world." News flashes, music, health exercises, swimming lessons intersperse the advertising messages which flood the mile-and-a-quarter beach from 12 huge loudspeakers.

◆ **AN ARKANSAS** moving company pleases housewives with a clothes moving box, 70 by 27 by 30 inches, with a hinged door

and rod inside to receive clothes hangers. The moving men carry the box to the bedroom, the housewife places the family clothing inside, padlocks the box and retains the key until she unlocks the chest in her new home. The arrangement simplifies moving, saves the customer a clothes pressing bill.

◆ **A CALIFORNIA** dealer finds the selling of lime, sand, plaster, and cement in hand-ful lots profitable. The materials, offered for the convenience of customers who may wish to patch plastering in their homes, or sidewalk cracks and holes, are displayed in five-gallon pails and are weighed out and correctly proportioned at the counter.

◆ **SHIPPING** and storing of quicklime is facilitated by a new bag lined with moisture-proof transparent cellulose. Quicklime may be stored in it for a year or more, it is said, without absorbing moisture and, as a result, without heating or swelling.

◆ **A TEXAS** lumber dealer reports a successful plan for selling home renovizing. Prospects are selected from home owners having satisfactory credit ratings. The dealer's salesman snapshots each prospect's house, pastes the small photo on the cover of a four-page folder which is inscribed with the prospect's name and the message: "Based on today's low prices, here is a cost estimate for a specific improvement on your home." The folder acts as a door opener when the salesman calls. If the prospect can be interested in a specific improvement the salesman calls in a competent workman or contractor who makes a price for the job. Contracts are always between the workman and owner, the lumber dealer serving only as an intermediary. His services as such bring him 10 per cent of the workman's or contractor's gross receipts from the job.

◆ **ODD LOTS:** A New York company is marketing pretzels in paper bowls covered with transparent cellulose. . . . Prune bread is being introduced on the West Coast. . . . Concentrated onions are now being marketed in tins; they're said to save milady tears. . . . Powdered preparations for making ice cream and sherbet in mechanical refrigerators have made their bow. . . . Housewives are now offered mechanical refrigerators in colors to match their kitchen color schemes. . . . Concentrated shredded fish meat is on the market; a pound of it is said to make five pounds of normal fish meat with the addition of water.

—PAUL H. HAYWARD

EDITOR'S NOTE—Further information on any of these items can be had by writing us.

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Not until you have seen the remarkable simplicity of this new machine, and marvelled at its performance, can you fully realize what MULTILITH will mean to you. The Multigraph Sales Agency in your locality will demonstrate the SPEED, QUALITY and ECONOMY of MULTILITH at your convenience, without obligation.

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MULTILITH models offer the lowest-priced complete offset lithographic equipment on the market today!



Model 296 MULTILITH

A very compact and completely automatic offset lithographic press for layman operation. Reproduces photographs, illustrations, advertisements, maps, letterheads, forms, etc.; in fact, any line or tone subject within its range of capabilities, at speeds up to 3500 an hour.

An ideal office printing unit that will fill a large percentage of the printing requirements of any business.

LETTERS
BULLETINS
MAPS
CHARTS
GRAPHS
LETTERHEADS
POSTERS
CARDS
OFFICE
AND FACTORY
FORMS
DUPLICATE
PHOTOGRAPHS
SALES
PROMOTION
MATERIAL
ADVERTISING
MATERIAL
CATALOGS
ETC.

Multigraph

TRADE MARK

Keeping ahead of Today's Competition

THERE are many ways of securing a definite sales advantage by means of the package. A food or confection is placed in a package which displays the actual product; arouses desire—and sales go up . . . A smoking tobacco is given a special moisture-proof wrap, which keeps it fresher and more enjoyable—and a march is stolen on competition . . . An easy-opening tab is devised for the protective wrap on chewing-gum—and new favor is won for the product. These are just a few examples of the kind of package improvements which are helping to win sales these days for many products.

The Package Machinery Company has played an important part in the development of better packaging. All that we have learned in our many years of serving America's leading package goods manufacturers is at your disposal.

Consult Us

If you are seeking a better package to *improve sales*—or more efficient machinery to *lower costs*—consult our nearest office.

PACKAGE MACHINERY COMPANY

Springfield, Massachusetts

NEW YORK

CHICAGO

LOS ANGELES

Peterborough, England: Baker Perkins, Ltd.



Office Work Goes Modern

(Continued from page 22)

mechanical field, as the files of the Do/More Chair Company, Elkhart, Ind., eloquently suggest. The experience of the Clark Brothers Chewing Gum Company, Pittsburgh, is typical.

"Gum is rolled into sheets by machine, then broken into sticks and arranged in trays by hand. When working to capacity, the plant produces 6,000,000 sticks a day. The girls must reach upward to the moving conveyors, bring down a tray, break up their sheets of gum, and place their finished work on another conveyor in a few seconds.

"The problem of posture was solved with the Do/More Health chair—48 in one department. By being brought up to their work, with suitable back rests, the girls have increased their production and earnings up to 50 per cent."

To do a number of copying jobs which have to be done; to do them better, quicker, without errors and cheaper is the purpose of Ditto.

It is represented that "Anything that is once a matter of record need never be rewritten, set in type, or cut in a stencil, when you have Ditto. Your original record may be a drawing, a handwritten memorandum or a typewritten or printed sheet. The necessary copies can be made by the Ditto Process."

Savings in postings

A NATIONALLY known company was using 14 posting machines and 15 calculating machines for handling book-keeping records. The first of these machines was installed some years ago when the concern was small. As the business grew, additional machines were purchased and additional operators hired. No change was made in system, routine or method—the firm and its equipment just grew.

After a thorough analysis of procedures and desired results in 1930, the 29 obsolete machines were replaced by eight Burroughs typewriting and multiplying bookkeeping machines and two Burroughs posting machines, saving ten clerks and considerable \$4.50-a-square-foot floor space. With an investment of about \$16,000 the firm saved \$66,000 the first year in total accounting cost. It was never represented that ten new machines could do the work of 29 machines at such saving. But changing the accounting routine and using the latest equipment did open the way to extra economies.

Another type of saving, often possible, is contributed by a company which for years remained so satisfied with its accounting procedure that it made no



PACKAGE MACHINERY COMPANY

Over 200 Million Packages per day are wrapped on our Machines

When writing to PACKAGE MACHINERY COMPANY please mention Nation's Business

102 years of experience have taught International Harvester that

DEPRESSION TIME IS NO TIME TO MARK TIME

IN a time of industrial stress two courses are open to a business organization. It can abandon the field of action, crawl into the cyclone cellar, and begin an endless period of WAITING. A costly course, because to stand still is to fall back.

OR—it can continue to build for an inevitably larger future.

International Harvester, during these recent years of reaction, has taken the broader view—a course made easier perhaps by the

perspective and experience of its own 102 years of history.

International Harvester occupies a position of major importance in the manufacture of motor trucks, industrial power, and agricultural equipment. In these three fields in these trying years the management of this Company has followed an aggressive program, pioneering new developments and improving its many well-known products.

Some of the outstanding industrial prod-

ucts developed by the Company since 1929 are shown here. *These are products highly qualified to aid in any private or public program of reconstruction.*

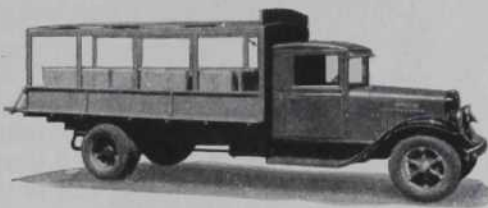
If your new plans call for motor trucks and industrial tractors built for today's exacting needs, find out what *International Harvester* has to offer you. Call one of our branches or dealers. Write us for specific information.

INTERNATIONAL HARVESTER COMPANY
606 S. Michigan Ave. OF AMERICA (INCORPORATED) Chicago, Illinois

Recent Achievements of International Harvester Engineering:



In this Half-Ton 6-Cylinder Truck for light-delivery, International this year has set a new standard in style and performance. The chassis of this truck, Model D-1, sells for \$360, f. o. b. factory.



International has recently announced a remarkable 2-ton value in the Model B-4. The 145-in. wheelbase chassis sells for \$1045 f. o. b. factory. There are also 1½ and 3-ton models.



Impressive heavy-duty truck values were presented last year in the powerful 6-cylinder 5 to 7½-ton International Models A-7 and A-8. Built in four wheelbases, for heavy dump, tractor trailer, and cross-country service.



The two McCormick-Deering *TRACTRACTORS*, T-20 and T-40, announced in 1931 and 1932, have proved a sensation through remarkable accessibility and low maintenance cost. And now, in *DIESEL* power application to McCormick-Deering tractor design, International Harvester takes another forward step. The large TracTracTor shown is available powered either with a Diesel engine or a 6-cylinder gasoline engine.



The I-30 tractor is the latest form of McCormick-Deering industrial power of the wheel type. McCormick-Deering industrial tractors are the standard of versatile and economical power. International Harvester is the world's largest tractor builder.



The McCormick-Deering power unit is available as an independent power plant or as an integral part of high-quality equipment. Four sizes ranging from 25 to 50 horsepower, including one with Diesel engine.

INTERNATIONAL HARVESTER

When visiting an INTERNATIONAL TRUCK dealer please mention Nation's Business

FORGE YOURSELF STRONGER TOOLS

in this day of National Recovery



AMERICA'S program of national recovery offers the greatest opportunity for progress that any living man has seen. But that progress will not be the gift of Fate. It will not just "happen."

A plain study of the management of your own business will show that you will succeed only by the proper handling of men, money, raw materials and equipment. Proper handling, mind you. Control, that means.

In every business the simple, direct means of control is through written instructions, written re-

The Quality-Utility Paper for business

HAMMERMILL BOND

LOOK FOR THE WATERMARK

It is our word of honor to the public

ports, signed dated correspondence—sheets of paper that record what one man knows or wants done, passing that information along to one or a thousand other workers.

As you reemploy labor, as you set up new standards, as you step out with new selling energy, you need more than ever the controlling help of business printing.

Among the tools of management is Hammermill Bond—the paper used by business men. Hammermill Bond is the most widely distributed, most readily available bond paper on the market. Paper merchants in 97 cities carry large stocks for immediate delivery—important, when you must have new supplies of printing to meet new needs quickly. You can standardize on Hammermill Bond readily by asking your printer to use it every time you order letterheads, envelopes or any kind of printed forms.

attempt to ascertain whether a saving could be made. A Burroughs representative obtained permission to make a complete study which resulted in saving most of the cost of this work. This company had used the same equipment for about 20 years on freight claims accounting. In that time it paid about \$25,000 in rentals, and \$8,000 in card costs. Analysis revealed that virtually all of this expense could be eliminated without buying equipment or hiring additional help.

A cooperative marketing association bought a modern accounting machine at approximately \$2,700 and realized an annual saving exceeding this amount plus better appearing records and more timely and more valuable information.

Keeping track of the kegs

THAT the beer business is much more than brewing every one knows who ever tried to trace a keg. The way of a customer with a container gave the Elliott Fisher Company its opportunity to show what modern accounting machine equipment could do in keeping track of the kegs, a job of first importance because the deposit is not enough to compensate for the loss of the containers.

Furthermore, present day Underwood Elliott Fisher accounting machine equipment makes it possible for the brewer to maintain a control over the drivers' tickets and the platform tally sheets by drivers' routes. These figures are important because the number of kegs sold (by size) affords a check on the revenue stamps used during any period.

Another important control readily made possible by the use of modern accounting machine equipment is obtained through the medium of a trial balance of the outstanding kegs charged against customers. This information enables the management properly to adjust the inventory of kegs in the yard.

The results made possible by the new Underwood Elliott Fisher accounting machines could not be effectively obtained with machines manufactured only a few years ago.

A department store chain recently centralized its general accounting and found that eight new Underwood Elliott Fisher equipments could efficiently handle all of the work that was previously done on 25 machines manufactured five to fifteen years ago.

Sales of Underwood typewriters and Underwood Sundstrand adding machines, are now largely based on the fact that the purchaser feels that this new equipment will pay for itself and show a profit on the investment in a short time.

As an example, one of the large oil companies has found that replacing its typewriters at the rate of 50 a month with new Underwood machines is worth while because the new typewriters can

OFFER TO EXECUTIVES

Hammermill has collected facts and experiences in the use of paper and printing. This material is included in the portfolios "Better Letterheads" and "Printed Forms at Work." Simply attach coupon to your company letterhead.



NB-9
HAMMERMILL PAPER COMPANY, Erie, Penna.

Please send me the portfolios of letterheads and printed forms. (Sent free anywhere in the United States, Outside U. S. 50c.)

Name _____

Position _____

(Attach this coupon to your company letterhead)

When writing to HAMMERMILL PAPER COMPANY please mention Nation's Business

produce more work even with the present reduced personnel.

"Will it pay?" a question which the General Fireproofing Company answers for the prospective customer through an investigation by its equipment engineers. Floor plans with front elevations show the client just what changes are recommended. He gets a comprehensive view of the proposed installation as it would look in his office space. In Boston alone, more than 1,500 of these surveys were made. Of the results, the company reports that "we have found instances where the returns from the necessary investment have been tremendously high; others show a smaller profit on the investment, but over a period of 15 years in this city, a review places us in a position to state that the installations we have made have paid to an astonishing degree and will continue to pay as long as the concerns are in business.

The big stumbling block to modernizing offices and standardizing equipment is the owner's unwillingness to make obsolete a large quantity of office equipment originally costing thousands of dollars and still useful though admittedly inefficient.

Reporting on its installation of equipment for the Aetna Life Insurance Company, the General Fireproofing Company suggests the measure of possible economies by pointing out that in departments where card record desks for posting replaced tub desks, the bonus rates for some employees showed a gain of 30 per cent over previous figures. In another installation, for the Equitable Life Insurance Society, one unit alone, a transcribing machine desk, accounted for a 12½ per cent increase of stenographic output.

Protection against fires

HOWEVER excellent the office appliances may be, safeguarding business records is an issue of first importance. As the Diebold Safe & Lock Company interprets the hazards,

"Years of time and hard work spent in planning, scheming, organizing . . . wiped out by fire so completely it is useless to think of starting out again. But the prospect of beginning all over again is not so bad if your records were saved.

"Advances in the art of building protection devices now make it possible to dovetail fire protection so closely into present day methods of compiling and consulting records that its proper use does not burden the operator but, to the contrary, facilitates the operation."

In a very real sense, a thing is not done well if it is done wastefully. However much the depression may have slowed down the pace of trade, time is of the essence—time for personal affairs, time for family life, time for recreation, time for the things of the spirit, for the great "intangibles" of this life.

MORE SALES!

*the opportunity,
and the way to get them*

MANUFACTURING COSTS have never been so evenly balanced from a competitive standpoint. So it will happen that the concerns that go ahead, the men who make money out of their businesses, will do constructive thinking on two points: Careful internal management and aggressive sales activities.

There are different roads to the goal of more profitable sales. One way is that of sending frequent and timely notices to salesmen and dealers, bulletins that inform and stimulate the sales force, instructive memos that tell the factory or the branch office some new and important piece of information, quotas and accomplishments expressed in figures and distributed to all who may be stirred to action by seeing them.

In this field of distributing information the office duplicating machine plays an important rôle. Special letterheads on mimeograph

paper, attractive headings for timely bulletins, forms ready for figures and data provide the ammunition that can be fed through your own equipment.

It is important that such messages be more than mere duplicated copies. They should have character. Hammermill Mimeograph paper has the crackle, the feel, the appearance, the folding qualities of a bond paper . . . At times there will be last-minute corrections—erasures. You can erase and rewrite neatly on the surface of Hammermill Mimeograph . . . Even your pen signature will be clean, sharp and without feathering . . . And of course Hammermill Mimeograph will run through your equipment at high speeds with a minimum of off-setting or other operating trouble.

Hammermill Mimeograph not only serves with exceptional satisfaction the field indicated by its name, but combines many other virtues of real value in giving your message the cleanness, attractiveness and dignity you demand.

THAT 100
SHEET TEST
PROVES IT'S
REALLY BETTER



HAMMERMILL MIMEOGRAPH PAPER

BY THE MAKERS OF HAMMERMILL BOND

OFFER TO MIMEOGRAPH USERS

The best proof of the value of Hammermill Mimeograph is a test on your own equipment. You are invited to use the coupon for a free 100-sheet package of Hammermill Mimeograph with which will be sent a sample book showing the range of colors, weights and finishes. Put the test paper through your machine with a regular run and compare the results with the paper you have been using.

HAMMERMILL PAPER COMPANY, Erie, Penna.
Please send me the 100-sheet test package of Hammermill Mimeograph Paper. (Sent free anywhere in the United States. Outside U. S. 50c.)

Name

Position

Make and model of machine

(Please be sure to attach coupon to your company letterhead)



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A Yardstick for Government

By CHESTER LEASURE

★ "FIGURES won't lie."

Of course not; but they can be woefully and disastrously misleading. Especially bookkeeping figures. Many an apparently thriving business has gone to pot, and fetched up in the port of derelict business ventures—the bankruptcy court—because its bookkeeping failed to do what bookkeeping is relied on to do—to reflect the true condition of the enterprise in terms of gain or loss on its operations, with due regard to all outlays incident to its processes and transactions. And the result has been just too bad—bad for owners, bad for employees and bad for creditors—bad for everybody.

But this isn't the doleful lay of private ventures wrecked on the treacherous shoals of improper cost keeping. It is rather a recital of an effort to rectify Uncle Sam's Micawberish, slipshod methods of bookkeeping. To be sure, as long as Uncle Sam's folk are solvent there's no danger of that avuncular personage with the Roman nose and striped pants going bust—no matter how slack his bookkeeping. When he's pinched for funds to cover his losses all he needs do is to call on his folk to make good, via taxation. He may, for example, lose millions trying to operate a fleet of merchant ships and nobody—except the taxpayer—be the wiser, or the worse.

Now the Government was not intended or designed to become a business enterprise—to become a maker or trader in goods, wares or merchandise. Yet, for various specious reasons—which as Kipling says, plot another story; a story oft told in this magazine—the Government has become a manufacturer and dealer in many kinds and sorts of wares and merchandise in direct competition with the enterprises of taxpaying citizens.

It is not a present purpose to dilate upon the rights or wrongs of this situation—the existence of which has been all too amply and convincingly disclosed by an agency of the Government itself—a special committee of the House of Representatives, last year. Citizens, hundreds of them, owners and operators

THE INVESTIGATIONS of the Shannon Committee last year showed that, however hurtful the competition of Government with business, the worst feature is that governmental accounting does not disclose all costs. The Shannon bill intends to standardize governmental bookkeeping in accordance with the best business practices

or representatives of private business enterprises from the Atlantic to the Pacific and even from the Panama Canal Zone; manufacturers, distributors, retailers, and professional men came before the Committee. They told much the same story of the competition to which they are subjected by agencies of the Government. With one accord they stressed this question of government accounting. Waiving the rights or the wrongs of the Government entering into competition with taxpaying business enterprises, these witnesses insisted that if they must meet the Government as a competitor, such competition ought, at least, to be on terms of accounting equality.

That doesn't seem unreasonable. That's only "good cricket." And it so appealed to the members of the Congressional Committee, the Honorable Joseph B. Shannon, of Missouri; Robert F. Rich, of Pennsylvania; Samuel B. Pettengill, of Indiana; Edward E. Cox, of Georgia; and William H. Stafford, of Wisconsin.

Bookkeeping to show all costs

AFTER duly weighing the voluminous testimony before them, the members of the Committee unanimously agreed and recommended to the Congress that "a government department or public agency should not be permitted to compete with any private business except upon terms of actual costs." The Committee further recommended that the bookkeeping methods of any and all government agencies that compete with

private business enterprises "be required to adopt a system of account keeping that will conform to 'accepted standards' of accounting," and reflect all proper elements of cost, such as "interest on invested capital, taxes, depreciation," and the like. The Committee logically argues that "the government, requiring such a procedure, a satisfactory and just comparison may be had between private and government costs of production and operation."

The Committee then voices the opinion—in the light of the testimony before it—that "if hidden costs were brought to light many activities of the Government which are now justified on the plea of economy could no longer be defended."

What is to be done about it?

The Committee has an answer set forth in a bill of legislation introduced in Congress by Chairman Shannon, a true and realistic son of the "show me" state.

This bill, H. R. 6038, is entitled, "An act to provide for the establishment and maintenance of a standard system of cost accounting and cost reports for the executive departments of the United States." This bill was referred to the House Committee on Expenditures in the Executive Departments. Another astute son of Missouri, Honorable John J. Cochran, is Chairman of this Committee. His associates are: Allard H. Gasque, of South Carolina; Riley J. Wilson, of Louisiana; William W. Whittington, of Mississippi; Glen Griswold, of Indiana; Lindsay C. Warren, of North Carolina; William R. Thom, of Ohio; Randolph Carpenter, of Kansas; J. Twing Brooks, of Pennsylvania; Edwin M. Schaefer, of Illinois; Francis E. Walter, of Pennsylvania; Edward C. Eicher, of Iowa; A. Willis Robertson, of Virginia; Wilbur L. Adams, of Delaware; Joseph W. Bailey, of Texas; Charles L. Gifford, of Massachusetts; Robert F. Rich, of Pennsylvania; John B. Hollister, of Ohio; Edward L. Stokes, of Pennsylvania; George W. Blanchard, of Wisconsin; and Philip A. Goodwin, of New York. This Com-



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As a partner in America, Stock Company Fire Insurance proved to be literally the foundation of the credit structure of business.

But that is not all.

The capital stock, surplus, and reserves of Stock Fire Insurance Companies not only protect your property, but, as invested, give vitality to many forms of American business. To utilities. To railroads. To banks and trust companies, to

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When it's on the *ERIE*-it's "ON THE MOVE"



● When will it get there? That's the chief interest of buyer or seller in choosing a shipping service. The railroad that gets his business is the one that keeps his freight "on the move." ● To this end, Erie has constantly introduced time-saving changes in operating methods. Rescheduling of labor shifts at terminals to provide faster handling for L. C. L. freight... operation of mixed trains to prevent long lay-overs... concentration of switching operations to effect savings in time... these are but a few of the reasons why Erie enjoys a reputation for keeping freight "on the move."



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mittee plans to give the bill serious consideration in the session of Congress which meets in January.

The bill provides that systems of government accounting shall include certain specifically defined factors and elements. First, is the element of "cost" which is defined as "the cost of all direct labor, cost of all direct materials; all direct expenses, all overhead expenses, and interest on investment in property, equipment, and facilities used in or pertaining to the operations coming within the scope of the Act."

The term "direct labor," as defined in the bill, means salaries, wages, or other compensation paid for labor directly performed upon the work undertaken upon the component parts of the articles or things produced.

The term "direct material" is defined as "the cost of raw materials and purchased component parts entering directly into the work undertaken or into the articles or things produced, including, where specifications call for special packages and containers, the cost of such packages and containers. The cost of direct materials will be the invoice cost less any trade or quantity discount, plus duty and import expenses, freight, express, and drayage."

The term "direct expenses," according to the bill, means expenses of whatever nature directly appertaining to the work undertaken or to the articles or things produced, such as traveling and other field expenses occasioned by and solely in connection with a specific project; professional services, engineering, plans and drawings for a specific project.

Overhead would be included

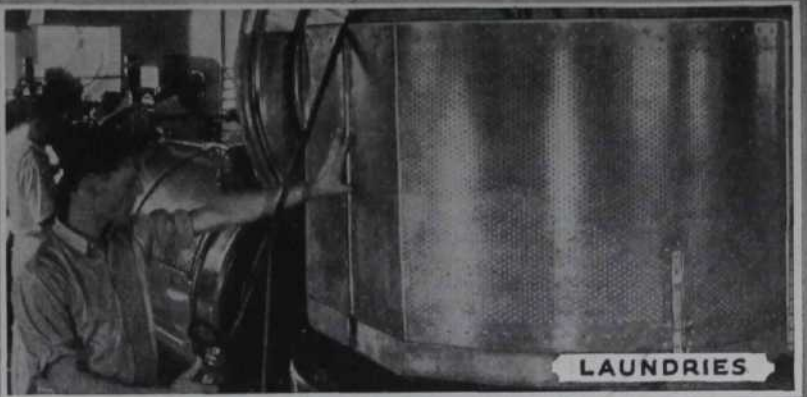
NEXT is the element of "overhead expenses" which the Shannon Bill defines as "expenditures applicable to and necessary in connection with any work or operation undertaken or any article or thing produced, and not properly chargeable to direct labor, direct material, or direct expenses, and which are allocatable to two or more simultaneous or successive projects, including supervision, indirect labor, such as factory trucking, cleaning, inspection and other labor, the cost of which is not included in other overhead items; supplies, such as oils, waste, cleaning, hardening, tempering, and grinding supplies; fuel used, other than in the production of light, heat, and power; small tools, such as drills, files, reamers, and saw blades; water; repairs on buildings, machinery and equipment; insurance; depreciation and obsolescence of plant and equipment; light, heat, and power, including fuel and power-house wages; engineering, plans, and drawings; factory management and general plant expense, such as telephone, stationery, purchasing department costs, cost and time-keeping departments, safety work, fire preven-

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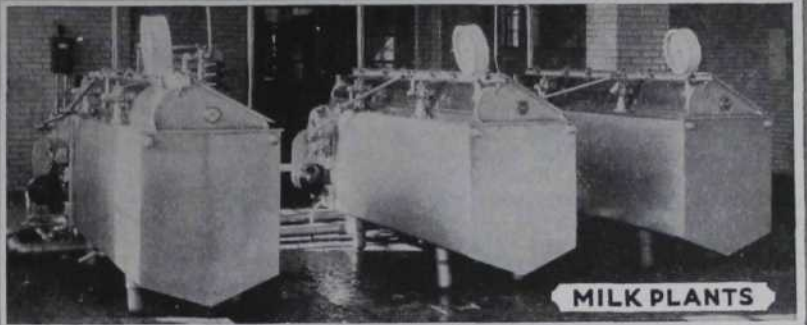
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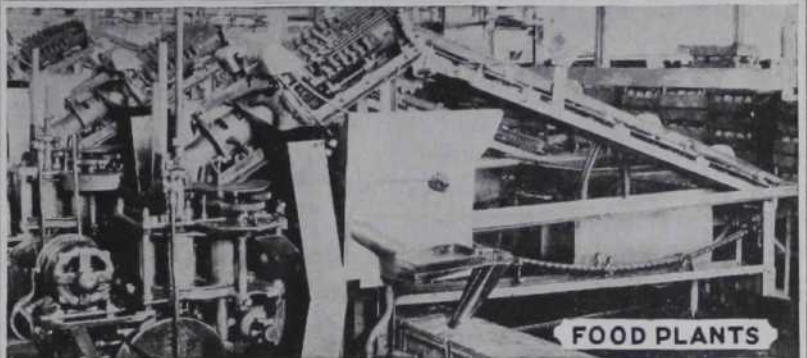
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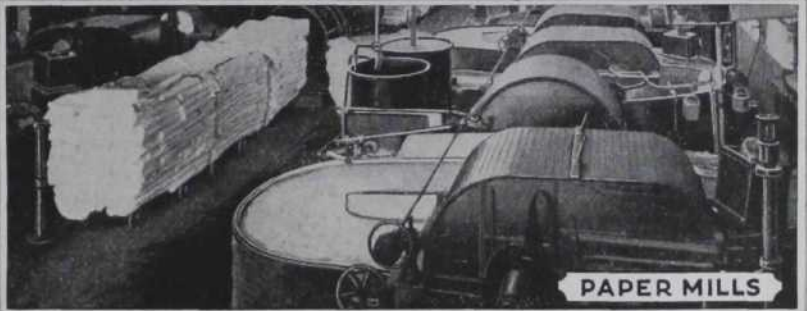
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Investigate the "L-M-C" Plan. Ask the nearest "L-M-C" representative for information.

LUMBERMENS MUTUAL CASUALTY COMPANY

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World's Greatest Automobile Mutual



Fledglings!

... In a few short weeks, their wings strong, the birds will be shooed out of the nest to fend for themselves. Your fledglings must spend years strengthening themselves to meet the world single-handed. Protect them now against having to face life too early or unequipped. Life insurance will look after their education — even take your place financially if it should be necessary.

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LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

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197 Clarendon Street, Boston, Mass.

Please send your booklet on life insurance for family protection.

Name _____

Address _____

N. B. 9-33

tion, sanitary supplies; and property taxes," in accordance with prevailing and generally accepted accounting practice in private industry.

The bill likewise would require a charge of a proper *pro rata* share of every administrative expense of every executive department, independent establishment, bureau, office, and all and every agency under their control or direction, involved in any work or operation undertaken by them or any article or thing produced.

Such administrative expense is defined as "interest on investment in any public property, equipment, and facilities, of every executive department, independent establishment, bureau, office, and all and every agency under their control or direction, involved in any work or operation undertaken by them or any article or thing produced."

The terms wages, salaries, and other compensation, whether included as a part of direct labor cost or as an item of overhead expense, include the remuneration paid to public employees during leave and for holidays.

"Whenever and wherever overhead expenses, administrative expenses, or interest on investment, are allocatable to two or more simultaneous projects, or to successive projects in the same accounting period," says the bill, "such allocation shall be made on a fair and equitable basis and in accordance with bases commonly accepted and followed in private industry."

The Government pays no taxes on its business enterprises, and in most cases carries no insurance. Yet these items bulk sizeably in the outlay of all private enterprises. The bill, therefore, provides that "wherever any item of cost customarily incurred by private industry such as insurance, compensation to employees for accidents and diseases arising out of industrial employment, taxes,

licenses, performance bonds and penalties, are not included in cost because no expenditure therefor was made, such items shall be fully and clearly disclosed in each report of cost."

On the vexed question of bids for government work or supplies where private bidders must compete with government agencies, the bill makes this provision:

"Whenever any estimate or bid shall be required or offered by any executive department, independent establishment, bureau, office, or other agency of the government for work to be done or articles or things to be produced in competition with private bidders, such bids or estimates shall fully and clearly disclose any and every item of cost customarily incurred by private bidders for the subject matter of competition but for which no allowance has been included in the official bid or estimate, because no charge or expenditure therefor will or has been made."

That the taxpaying public may know exactly the results of government business operations, computed on the basis of the Act, the bill goes on to require "every executive department, independent establishment, bureau, office, or other agency of the government" to report annually, "on all work undertaken or articles or things produced during the preceding year." Such reports are to show "all the cost entering into such work or production, and in addition shall set forth all losses occasioned through the dismantlement or abandonment of property, equipment and facilities used in such work or production or theretofore used for like work or production."

The whole thing simmers down to this: Government which, by right or by wrong, has muscled into business and commercial enterprises should at least be governed by rules of fair play.

That's what this bill proposes.

Uncle Sam's New Pocketbook

(Continued from page 24)

of bonds for the major portion of this item, the \$3,300,000,000 for public works, is contemplated, is revealed by the provision in the statute authorizing the Secretary of the Treasury to borrow the necessary funds, and the further provision for special taxes to take care of the interest on obligations issued in connection with such borrowing.

The main reliance of the Federal Government for current operating funds in recent years has been upon internal revenue receipts. During the years 1926-1932, more than 50 per cent of all ordinary receipts were derived from a single source—the income tax on corporations and individuals. In 1933 the income tax receipts were only about one-third of the total revenues.

This declining return from the income tax necessitated a return to the broader base of war-time excises and miscellaneous sales taxes, principally on manufactured products. The yield from these is now beginning to make itself felt and with business improvement the Government will share through these taxes in the general prosperity.

The first month of the present fiscal year, for instance, while it brought a smaller return from the income tax than did July, 1932, saw a figure for miscellaneous internal revenue, including the excise taxes, approximately three times as great as in July, 1932. During the last month of the preceding fiscal year, "non-intoxicating liquors" alone brought in more than \$12,000,000. Tobacco taxes constitute an important item of



Goliath Laughed!

“... *And David took thence a stone and slang it . . . and the Philistine fell upon his face to the earth.*” One small stone—not an obvious weapon, surely. But the point is it worked, where an entire army had failed.

And you, in your battle for business—facing a modern-day Goliath—what sort of weapons are you using? The obvious ones may not do.

Has it occurred to you that your package can be a most effective sales-weapon—that shrewdly conceived, expertly designed, it can be a vigorous merchandising force? Perhaps just some slight change—a newer closure, a more telling shape, a simplified design—can multiply the power of your package without any added cost.

To the consumer, your package is an integral part of your product. If you have overlooked or ignored it till now, take a fresh look at it today. Study it yourself—it is a matter for executive eyes—or, if you feel too close to it to judge it impartially, have it analyzed by the American Can Company in the light of modern day knowledge and technique. We know what makes a package successful, having developed so many of them. And we know how to make yours successful should it prove to need some change. There is no charge for this service, of course. We welcome an opportunity to demonstrate at first hand Canco's resourcefulness and skill.

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A STARTLING NEW AID FOR BUSINESS RECOVERY!

THE

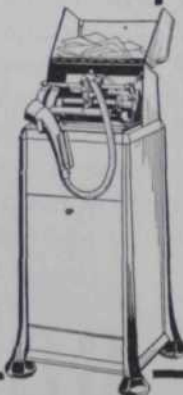
Pro-technic
Ediphone

(After nine months' experience, the Business World acclaims it the most popular improvement in the history of dictation.)



Edison Improvements Found in the New Pro-technic Ediphone

- 1 "Built-In" Construction! The Pro-technic Ediphone is really new, inside and out. The mechanism has been built into the sturdy cabinet.
- 2 "Tailored in Steel!" The Pro-technic Ediphone is dust-proof, dirt-proof, fool-proof—entirely "tailored in steel."
- 3 "Balanced" Voice Writing! This new Edison recording principle guarantees perfect voice reproduction—makes dictating easier!
- 4 Dignified Design! Engineers, executives and artists contributed to the instrument's design. It will grace any office.
- 5 Takes Up Minimum Space! The Pro-technic Ediphone occupies less floor space than any previous designs.
- 6 For Desk Use—If Desired. A "Desk" Pro-technic is available for those who prefer it.



In this year of the New Deal the new Pro-technic Ediphone is making executives more valuable to themselves, and to their organizations! With this compact dictation aid beside them executives are accomplishing more—in less time, and with less effort. They are making more contacts. They are doing more business!

Since the start of 1933 the Pro-technic Ediphone has gone into the offices of business leaders in all parts of the world. "Pre-tested"—it has proved itself.

This new Ediphone will surprise and please you! Its wiring is concealed. It is positively dust-proof. All parts are enclosed for cleanliness and sanitation. And the price is surprisingly low!

We shall be glad to demonstrate this new instrument at your desk, without obligation. Telephone The Ediphone—your city. Or mail coupon to—

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Kindly send me further information about the new Pro-technic Ediphone.

Name _____ N-9
Address _____

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revenue, also, accounting in 1932 for 80 per cent of all miscellaneous internal revenue receipts.

Contrary to popular belief, the repeal of the Eighteenth Amendment will not spell an immediate increase in federal revenue. The increased tax from that source will merely replace the special revenues provided for in the National Industrial Recovery Act for the service on the bonds issued for public works.

Total ordinary receipts of the Federal Government in the first month of the present fiscal year were approximately twice as great as in July, 1932, while ordinary expenditures were not much more than half as great. Indeed, ordinary and extraordinary expenditures combined aggregated slightly more than half the July, 1932, total. The emergency expenditures will rise rapidly as the public works and other emergency activities get under way.

Larger public debt

THE supplementary budget must be financed, as we have seen, by issues of United States securities. This will occasion an increase in the outstanding public debt. Rising to a peak of \$26,598,000,000 in 1919, the public debt had been scaled down by the end of 1930 by about \$10,000,000,000. Deficits since that date have caused an upward climb, with the total now in excess of \$22,000,000,000. It is this figure which is to be still further increased.

The credit of the United States is good. Government issues maintain strong and steady quotations.

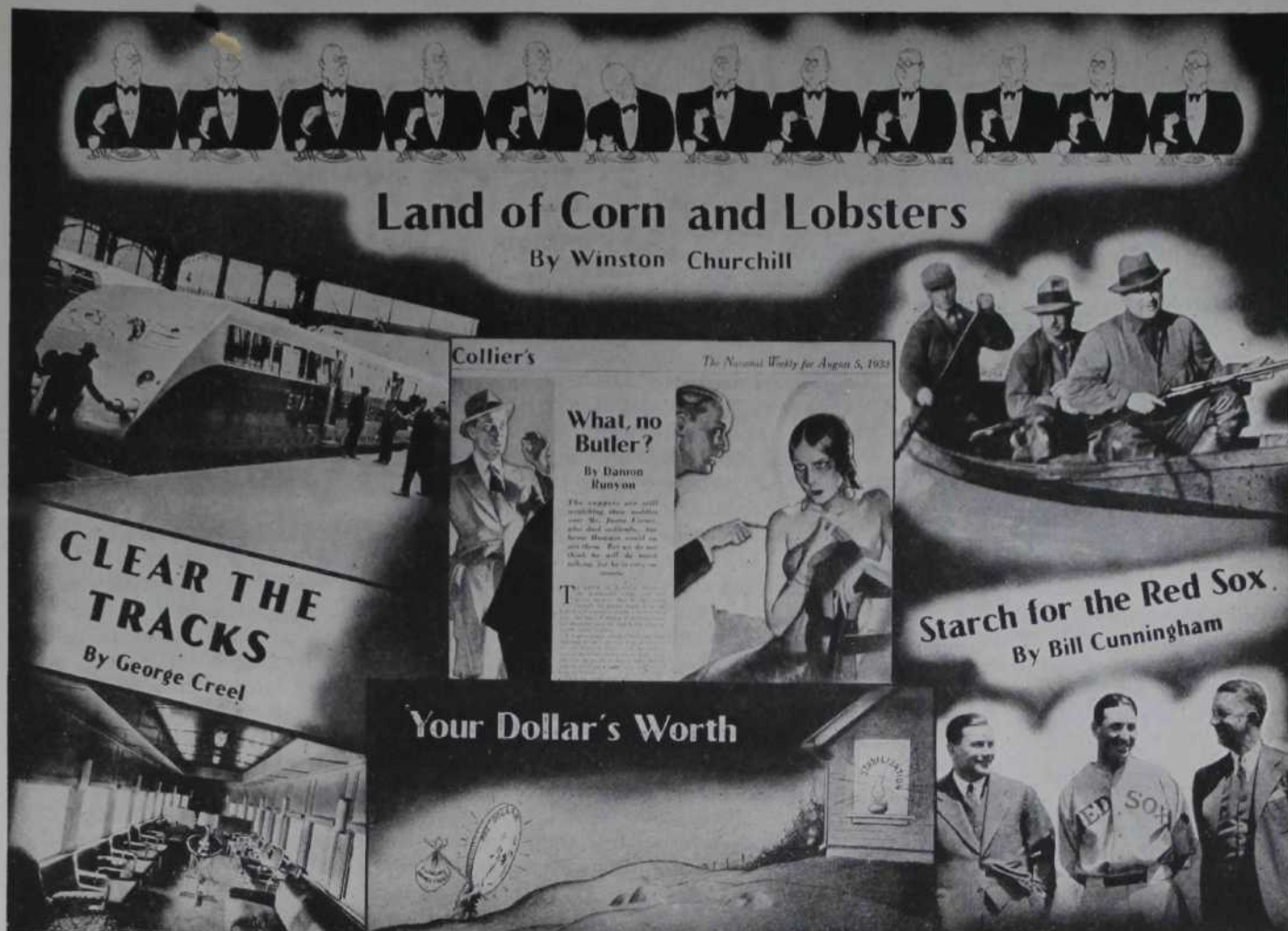
It is possible, of course, to finance the public works program without floating United States securities upon the public market, and, if the new issues cannot be digested by investors, an alternative method may be adopted.

Federal Reserve banks may add \$3,000,000,000 to their holdings of Government bonds by the method of direct purchase from the Government, thus putting Uncle Sam in cash through the process of currency expansion.

Then, too, the President is authorized to have issued up to an aggregate of \$3,000,000,000, outstanding at any one time, in greenbacks. The devaluation of the dollar by a reduction in its gold content would increase the amount of money in Uncle Sam's pocketbook, also.

Currency inflation, of course, with its attendant rise in prices, would reduce the effectiveness of Uncle Sam's purchasing power. He would be able to get less for his money.

Uncle Sam may have a new pocketbook with more in it to spend, but is he any better off? If he succeeds in his purpose of inducing and promoting business recovery, so that his nephews and nieces prosper, he will be better off in the long run certainly. And that is why he invested in the new billfold.



NEW TIMES - NEW OBLIGATIONS

These rapid-fire times set new standards, demand new methods in magazine making.

Filled with surprise, drama, action, they impose unprecedented obligations on editorial enterprise and alertness.

For years Collier's has been pioneering the new path in publishing. Dramatic, ingenious, timed-to-the-minute, it has refused to stand still or follow the worn highways of editorial tradition.

From the innovations it has introduced, its open-mindedness and daring, has sprung a new editorial leadership. It has captured the interest and enthusiastic following of the alert, modern, fast-

moving people whose tastes and needs are setting the pace of progress in every community.

Last April, in the face of many uncertainties and discouraged thinking, it predicted the current business upturn. It was first to forecast President Roosevelt's program for recovery. It secured and printed the first magazine interview ever given by Adolf Hitler.

Every issue is made from the things of today and tomorrow rather than of yesterday. In the August 5 issue, George Creel takes you aboard the streamlined, air-conditioned, aluminum trains that will soon pick you up and whiz

you along on rubber tires at a hundred miles an hour. Winston Churchill gives some impressions of modern America through an Englishman's eyes. Damon Runyon entertains with a brilliant short story. A searching editorial explains "Your Dollar's Worth."

High spots only, but typically and exclusively Collier's. Alert, unexpected, fast-moving, the magazine of action.

Go through this or any other issue and you will understand why Collier's is the new magazine leader—and why its modern editorial interest makes it most effective for the advertising of today's merchandise.

Collier's - FOR ACTION!

Watching Washington

(Continued from page 19)

planning and coordinating the activities of whole industries. Economists are at work on plans for various principal industries. The aim is to tell business managers how far they can go in building new plants, increasing production, allocating markets, removing seasonal fluctuations, stabilizing employment, etc.

Profits

THERE is no intention on the part of the Administration to prevent profits. Profits are to be encouraged; otherwise business would dry up. Also profits make taxes and revenues are much desired. But excessive profits are to be curbed. The regimentation process will tend to put whole industries on a profitable basis with each unit getting its share. This is the concept. Actually it seems likely that the small efficient units which have cut into the business of large unwieldy units during the depression will retain their advantage in the struggle for business. Despite the pressure from official sources to keep retail prices down, such prices are bound to rise, and far-sighted business men who have built up large inventories will be able to get the reward for their far-sightedness.

Tariff Protection

HIGHER domestic prices will check the effectuation of much discussed low tariff plans. The Roosevelt experiments cannot succeed if too many foreign goods flow in over present tariff walls to take advantage of artificially boosted domestic prices. Thus some import taxes must be levied on certain competing products within the year to protect the agricultural adjustment program. State Department negotiations with half a dozen countries to effect tariff reciprocity agreements will make no important dent in the present tariff structure. These comments apply to the outlook for the next year or so. After that a change in policy is possible.

Foreign Policy

IT IS almost inconceivable that this country can permanently pursue a strictly nationalistic policy. Foreign trade will always be desirable. International cooperation will become increasingly necessary as world recovery brings into the limelight economic conflicts throughout the world. Money and foreign exchange problems are essentially matters for common treatment by the nations of the world. After we have had our try at jacking up our own business structure behind walls of isolation we shall return to the council rooms of international conferences and start on the next chapter of our economic history.

This does not mean that the London Conference will be convened in the autumn as formal utterances of statesmen would indicate. There is the distinct feeling in Washington circles that much time will have to pass before our representatives will be ready to face the barrage of foreign proposals. A good guess is that international collaborations will not be resumed formally until some time in 1934. In the meantime, however, America will move toward some degree of cooperation with British Empire countries in the effort to raise world prices.

If Secretary of State Hull has the patience and tenacity to hold on for another 12 months he may get administration support for some of the policies he has been preaching for 30 years. At present he is much respected but little followed by the Administration which he is supposed to represent.

Liberal Influences

AN understanding of the new "liberal bloc" in Washington is essential to appreciate what is going on here. I cannot define precisely the word "liberal" but in a rough sort of way it applies to those who wish to dethrone "Big Business," to experiment with new schemes for distributing wealth, to put Government into new fields of regulation and operation of business, to go in for extensive socialization of many activities now privately conducted. Most members of the liberal bloc look to Justice Brandeis as leader. The liberals are pouring into Washington. Many of them are getting appointed to key positions in the various government departments. Others are acting as expert advisers, some in official positions and some in purely unofficial and private capacities. They have much influence with the President. Roosevelt's "brain trust," of course, belongs in the category of liberals, but this group has a special personal loyalty to Roosevelt.

This liberal bloc could be very powerful if it should achieve a high degree of solidarity. There are 40 or 50 men in the group who have the brains and force to change the course of national policy if they could get together on methods as well as on ideals. They are great on plans but weak on execution. They lack practical business experience but are honest and sincere.

The liberals are not popular with Congress. There will be an outburst against the liberals and professors when Congress meets next winter. In the end, Roosevelt will stand back of his liberal advisers, but, of course, party considerations will limit their effectiveness.

Banks

THE Administration is eager to get all banks in good shape by next January when the temporary deposit insurance plan goes into effect. If large numbers of banks fail to qualify for insurance a troublesome situation will result. The R.F.C., by purchases of preferred stock, will go the limit to help doubtful banks to qualify. Legislation will be proposed in the next session of Congress, one purpose of which will be to displace the permanent bank deposit insurance provision of the Glass Act now scheduled to go into effect next July. One idea being discussed is to make all commercial banks actual branches of the Federal Reserve banks. My guess is that this cannot be done for a long time. Eventually it may come.

Railroads

PLANS are being made for comprehensive railroad legislation next winter. Some of the proposals to be put forward are elimination of duplicate services, unification of competing lines, control over salaries and emoluments of officers, restrictions on purchases of materials and equipment so as to avoid favoritism, and provision for serial bonds or sinking funds as a means of getting railroad debts reduced.

Executive Council

THE complexity of emergency activities led to so many mix-ups that a sort of super-Cabinet has been formed to coordinate the administrators. It is called the Executive Council and meets every Tuesday. It includes all regular Cabinet members and in addition the key men in charge of the main recovery projects. Frank C. Walker is executive secretary in charge.

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You also find this beautiful platinum-like metal used in homes...as kitchen sinks, cabinet tops, range and table tops, hot water tanks and washing machines.

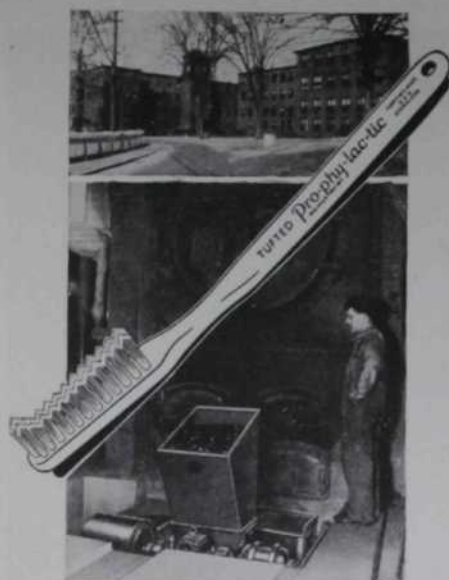
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Iron Fireman automatic coal burner installation in the boiler room of the Pro-phy-lac-tic Brush Company plant, Florence, Massachusetts.

World Economic Conference

★ WHEN the Monetary and Economic Conference met in London popular attention had been worked up to an expectation of highly picturesque and dramatic events. This expectation has now given way, in many quarters, to disappointment.

There are two reasons for this. First, no highly picturesque and dramatic events occurred. Second, the Conference created two committees out of which action by the meeting would be evolved and materials for a deliberate judgment about the grist produced by these committees has been slow in crossing the Atlantic.

The Conference was more of a congress than the sort of assembly that can discuss things across the table. Sixty-four sovereignties engaged in the Conference, a remarkable number when one considers that the League of Nations has only 57 members.

King George, inaugurating the proceedings on June 12, remarked that he was the first sovereign ever to open a meeting of all the nations of the world.

In the first round of general statements, representatives of 34 countries described what had gone wrong with the world from the point of view of their particular interests and philosophies.

Opinions were not the only outcome of the meeting, however.

As a part of the Conference there is the silver agreement. In June the appropriate committee suggested that the countries directly interested should go off by themselves and see if they could not agree. After three weeks they emerged with a treaty. Meanwhile, Russian and British delegates had gotten rid of the non-intercourse acts their countries had brought to bear upon each other in the spring.

On July 27 the sessions of the international conference had scarcely recessed with elaborate ceremony in the Geological Museum, and the wheat conferees in their adjoining room concluded they needed a respite until August 21, when from the Science Museum nearby came a monetary policy for the whole British empire, signed by the mother country and by all of the overseas dominions—always with the exception of Ireland.

Other events incidental to the international conference, but not on its program, have come to public attention, and there may have been some of which no one will hear for some time.

The conference itself spread on its records a pretty fair set of propositions about the manner in which central banks should make the gold standard

function, with all central banks harmonizing views by joint consultation through the Bank for International Settlements. These resolutions were adopted by the participating countries except the United States which, in the words of the official record, considered discussion of the questions at this time premature, it being understood that the Federal Reserve banks would be glad to confer at an opportune time with other central banks on questions of this character to the extent they are compatible with national policies.

Proposals were put forward by one or another delegation on subjects which by common agreement could not be completed before the conference recessed. In effect, they were offered for the protracted study which alone will bring the important agricultural, commercial, and industrial countries into agreement.

Restrictive trade barriers

ON JULY 21 the Secretary of State advanced such a proposal upon behalf of the American delegation. It first proposes a truce against new trade barriers. In the second place, there is a proposal for reduction of existing trade barriers, and since it might apply to our own tariff it makes interesting reading for Americans.

"In shaping its policy and executing its obligations under any agreement," the proposal runs, "each government should direct its first and greatest effort toward eliminating the restrictions and reducing the duties which clearly lack economic justification. Particularly, (a) duties or restrictions which now completely or almost completely exclude foreign competition, such as those which restrict the importation of particular commodities to less than five per cent of the domestic consumption thereon; (b) duties or restrictions on articles whose imports have been substantially curtailed since 1929 as compared with domestic consumption; (c) protective duties or restrictions which have been in effect for a considerable period without bringing about substantial domestic production of the protected commodities, say, equal to 15 per cent of the total domestic consumption thereof."

Too much is at stake, nationally and internationally, in world trade for the international monetary and economic conference in some form not to be resumed. It is not so much a question about what has been accomplished in the sessions held between June 12 and July 27, but about what remains to be done.

What Iron Fireman does for

Pro-phy-lac-tic Brush Co. it can do for you



William S. Elliott, engineer, Pro-phy-lac-tic Brush Co.

The Pro-phy-lac-tic Brush Company has learned that Iron Fireman automatic coal firing is dependable, uniform, and costs far less than any other kind of heating which offers anywhere near Iron Fireman's advantages. Mr. William S. Elliott, engineer, writes:

"The Iron Fireman installation allows us to use coal which costs about half the price at the mine as that which we were using previously. This alone has effected a substantial saving in our coal bill. Also, a feature of great value is the constant pressure which this automatic burner maintains. Iron Fireman has given us complete satisfaction."

An Iron Fireman automatic coal burner is an outstanding investment in plant equipment. It cuts fuel costs from 15% to 50%, eliminates smoke nuisance, reduces firing room labor, and maintains steady, even heat or power.

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See the Iron Fireman exhibit—Home Planning Hall, Century of Progress Exposition, Chicago.

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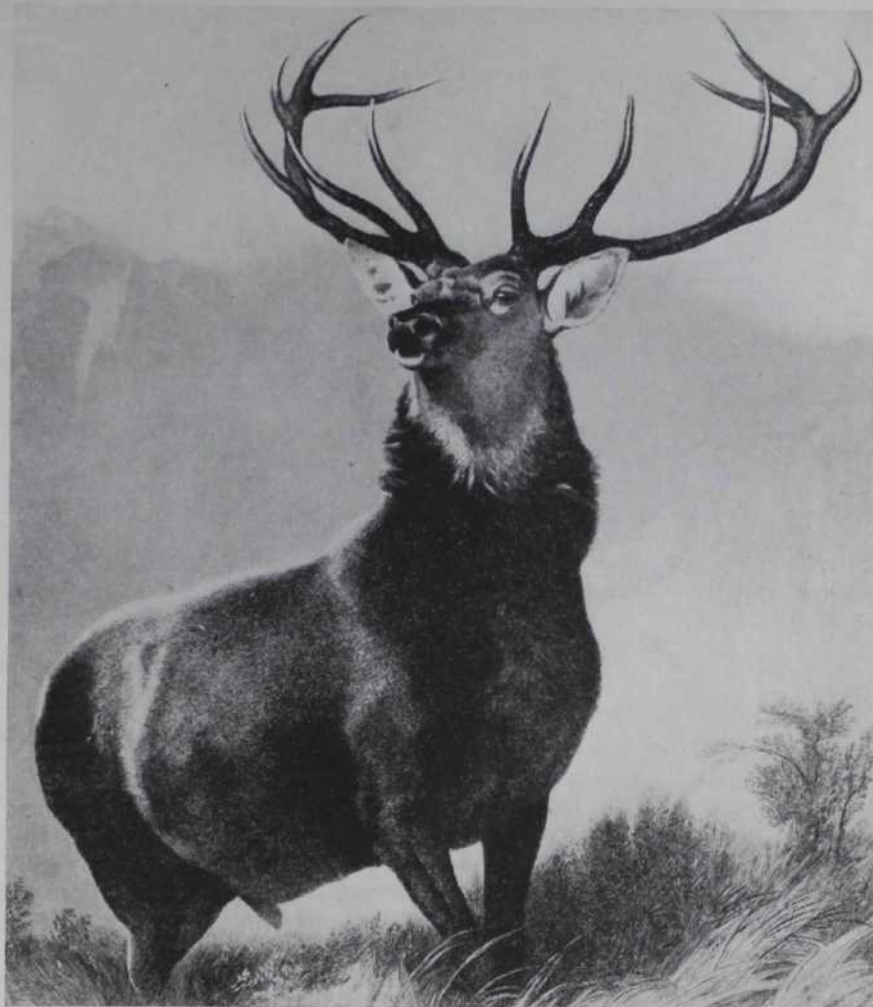
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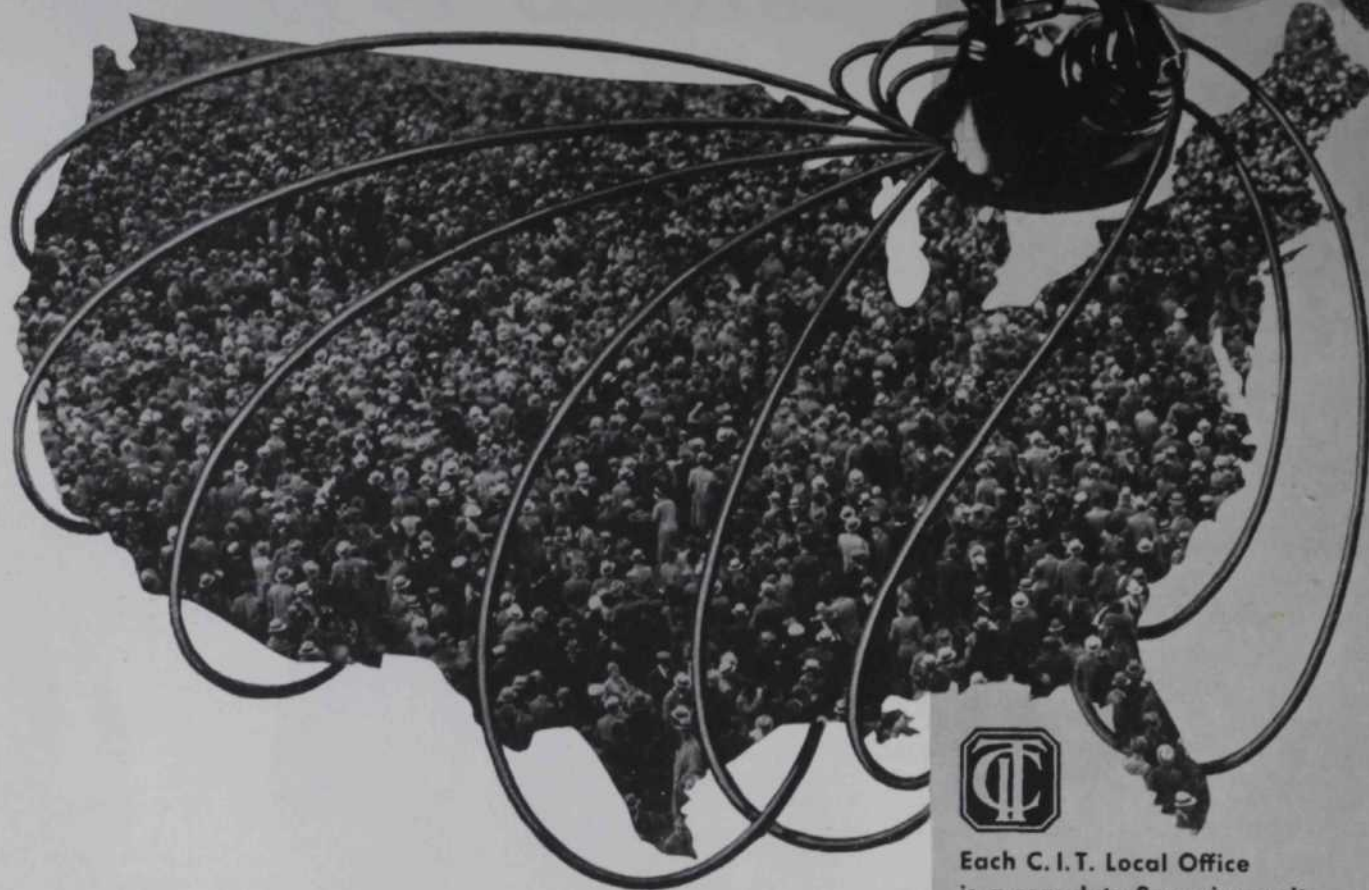
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Things Talked about in Wall Street

By a Staff Writer of NATION'S BUSINESS

★ **UNCLE SAM** is accused of having a "preferred list" of security purchasers to whom new issues are distributed at a price below the market. Much was made of a similar practice upon the part of New York private banking houses, "disclosed" (although well enough known here) during the Senate investigation of stock market activities.

When the Treasury borrows in the market, it not infrequently keeps the books open for small subscriptions after the closing date for subscriptions generally. In the meantime, the quotation on a "when issued" basis is sometimes at a small premium. So far the Street has not been able to find any bad "motive" behind the action of the Treasury.

Lower interest for Uncle Sam

THE financial district sees in the success of the Treasury offering of a half billion in eight year bonds at $3\frac{1}{4}$ per cent encouragement for a government program of refunding of outstanding securities at a lower rate of interest. Such a move, reducing the fixed debt charges for the Treasury, would help in balancing the ordinary budget.

For more stable currency

THERE is a growing disbelief in currency inflation or monetary cures for industrial ills, ideas with which even some Wall Streeters have been inclined to toy. It is believed here that Washington has been made to see some light on the practicalities of this matter. The report reaches here that public works contractors were reluctant to submit bids without some assurance of a relative stability for the dollar.

Costs of insurance

CONSIDERABLE interest has been aroused in the program of the Association of Reserve City Bankers for a thorough study of banking laws and banking practices. One of their objectives (as a minimum) is the revision of the bank deposit insurance law.

The temporary insurance fund calls

for a subscription by the banks of one half of one per cent of the insurable portion of their deposits—all accounts of \$2,500 and less and up to \$2,500 of larger accounts. This is much less severe on the large banks in reserve cities than the requirement of the permanent fund—one half of one per cent of total deposits. To hold down the contribution of the banks on insurable deposits will greatly lessen the burden on city banks. Federal reserve board figures show that only 12 per cent of bank deposits in New York State are in accounts of \$2,500 and less, whereas in Iowa the percentage is thirty-three. On the basis of one half of one per cent of total deposits, the banks of New York State will be required to subscribe \$40,000,000 to the permanent insurance fund. If the base is changed to one half of one per cent of insurable deposits of \$2,500 and less, their contribution would be less than \$6,000,000. No wonder the reserve city bankers are active!

New Jersey banks, concerned over this necessity for carrying the insurance burden of some of the Southern and Western states, are talking of setting up their own insurance fund. The way to effective action in that direction is blocked by the near-necessity of membership in the Federal Reserve system, and a requirement for membership in the Federal Reserve system is subscription to the Federal insurance fund.

The bankers are in a quandary. Whether to stay out of the fund and risk losing public confidence, or join up and stand the cost. That is the question.

One way speculation

THE indignation in Washington over the crash of stock and grain prices seemed a bit belated. As long as prices were on wings there was little scolding of the exchanges. The nose dive of quotations seemingly jolted complacency into sharp complaint.

Senator Thomas telegraphed to the heads of the principal exchanges warning against "a repetition of what happened yesterday." And Senator Robinson thought it astonishing that "the lesson of 1929 should be so quickly forgotten." Senator McKellar wanted restrictions on marginal trading. And just

to season the political with the academic point of view, Professor Irving Fisher declared that a market set-back is a terrible thing for traders on margin who have overextended themselves. From that premise he advanced to the conclusion that "a moderate shake-out was just what the country needed."

It would not be difficult to find rationality in a view which saw more of a public service in examining the effects of a public policy of inflation. If the inflation strategy succeeds, there will be no lack of political capacity to take the credit. If it fails, a traditional repository for blame is conveniently at hand. When the social historian comes to chronicle and appraise the psychology of this depression, it is possible that he will interpret the unhappy rôle of the stock and commodity exchanges as public whipping boys.

Banks are reopening

HEARTENING news issues from the efforts to reopen closed banks. A survey made by a press association in late July disclosed that more than \$40,000,000,000 has been released into the credit stream of the nation through the reopening of approximately 14,300 banks closed during the bank holiday. This figure included 597 mutual savings banks, which on June 30 had deposits of more than \$10,000,000,000.

A compilation by the Federal Reserve Board showed that 5,602 of 6,706 member banks were open on a normal basis June 28, and that 8,168 of 10,184 state non-member banks were operating. Setting its sights on the situation to which the bank-deposit insurance legislation will be applied next January 1, the Board found that of the total number of deposit accounts in 5,500 licensed member banks as of May 13, 1933, 96.5 per cent were of \$2,500 or less. In these accounts were 23.7 per cent of the money on deposit in these banks. While the figures are susceptible of many interpretations, they do suggest the serviceable volume from the multitudinous springs of modest money means.

Banks and recovery

TWO items about banking made front

Service in the Heart of the Industrial East



LARGEST groupings of Associated Gas and Electric properties are in New York, Pennsylvania, and New Jersey, the heart of the industrial East.

Associated industrial customers include the great shoe and clothing industries of New York; the textile trades of Eastern Pennsylvania; the

steel mills and machine shops of Western Pennsylvania.

Industrial users of Associated electric, gas, and other services number 23,520 out of a total of 1,404,800 customers. They are divided among 285 different industries, and are located in 26 States and Canada.

Associated Gas & Electric System

61 Broadway

New York



Life . . . at its best —indoors and out

*Sports and social activities mix
well at "THE OLD WHITE"*

Exhilarating days out-of-doors . . . pleasurable evenings spent in gracious surroundings . . . that's life at The Greenbrier! Nowhere else, you'll find, do sports and social activities blend so uncommonly well as at "The Old White" . . . established by ante bellum Dixie as America's most beautiful all-year resort.

Golf (not just one course, but three) . . . polo and riding, with well-bred horses and ideal grounds . . . flying . . . tennis (five championship courts) . . . and shooting will fill your days rather well. Your nights can be as busy—or as lazy—as you choose.

Rates are as you'd like them. Illustrated literature upon request.



The Greenbrier and Cottages

L. R. Johnston, General Manager

**WHITE SULPHUR
SPRINGS**

WEST VIRGINIA

*White Sulphur is on the main line of the Chesapeake and Ohio
Railway, served by air-conditioned equipment.*



page news the same day. From Chicago came a report from the Commission on Banking Law and Practice of the Association of Reserve City Bankers.

"It must be evident," says the report, "that the emergencies of the present situation have placed squarely upon the shoulders of bankers a responsibility for making constructive proposals for remedying conditions which have brought great criticism upon the banking profession as a whole, and in many instances great loss on many depositors. Bankers are better equipped than any other group to point out the difficulties in the present system and to suggest remedies for these difficulties."

This city sent a letter to General Hugh Johnson, Recovery Administration chieftain. It was signed by the heads of 11 of the city's largest banking institutions. It said:

The President's plan is designed to stimulate the growth of purchasing power, and thereby to increase the demand for goods. It is also designed to enlarge industrial output and increase employment. These objectives justify all the support that can be given to them by the banks. . . .

Loans made in connection with the industrial recovery plan may be likened to seasonal loans. They will be made for the financing of the production of inventory, the liquidation of which the success of the President's plan would insure. Such loans should be granted, of course, only where the credit of the borrowers justifies it, and each loan must be considered on its own merits, but all loan applications which pass this ordinary banking requirement should, and undoubtedly will, have the sympathetic consideration from the banks.

Anticipating new bank laws

THE FEELING that the Glass-Steagall Act was a compromise and not a satisfactory one, and that there would be new bank legislation at the next session of Congress led bankers and their lawyers to a re-reading of the speech that A. A. Berle, Jr. made at the June Convention of the New York State Bankers Association at Lake George. Having re-read it, many asked themselves again: How well does Mr. Berle represent the Roosevelt administration and will proposed legislation follow his ideas?

Most of the answers to the first question fortified by inquiries in Washington were that Mr. Berle is a power in the councils of the administration. Answers to the second question were less definite but there was a general belief that Mr. Berle will be near the head of the table when new banking laws are discussed.

Berle on banking

WHAT then are the ideas in the Berle mind about banking. Here's a list compiled from the Berle speech by a banker friend and some of his comments:

1. "That every unit (in the banking system) should be financially as strong as every other unit, reaching 'a point where there never is any sense in a run on the X bank so that the money may then be deposited in the Y bank.'"

Comment: Mr. Berle has said that he was opposed to the deposit guaranty provision of the Glass Act and I'm not clear by what means he proposes to make Bank X and Bank Y equally safe.

2. "A cessation of competitive banking either in connection with deposits or in connection with credit. . . . We all do compete. . . . But it is not good banking, it is not sound economics, it is not common sense."

Comment: Why two banks then in any community? Except for geographical spacing and that could be met by branch banks. Would Professor Berle have banking a sort of slot machine business? Put an application for a loan into one end and if it is standard size and weight, out will come the loan at the other.

3. "We want a cessation of the condition which permits the control of banks to be thrown around from hand to hand with entire irresponsibility. . . . Control of bank stocks and the sale of bank stocks ought to be in the hands of the central authorities. . . . the Federal Reserve Bank."

Comment: Gosh! I can own it but I can't do anything with it. This is certainly new.

4. "Needed most of all is some mechanism by which we can get centralized concerted action among all the units of the country."

Comment: Nothing to say. It's part of the non-competitive bank idea I suppose.

5. "A banker has to be a banker. He cannot safely or honorably be anything else at the same time. . . . You know, of course, that in a good many parts of the world a banker is almost not allowed to make a fortune. That is true in England."

Comment: I can't see why a banker should be denied the privilege of making money. I'll agree that he should stick to his business pretty closely, but is it more wicked for a banker to own stock than it is for a clergyman?

Rules and Regulations

AND after he'd discussed this five-point program, the banker friend said: "It seems to me that if Berle has his way, the banker will be little more than a glorified government clerk."

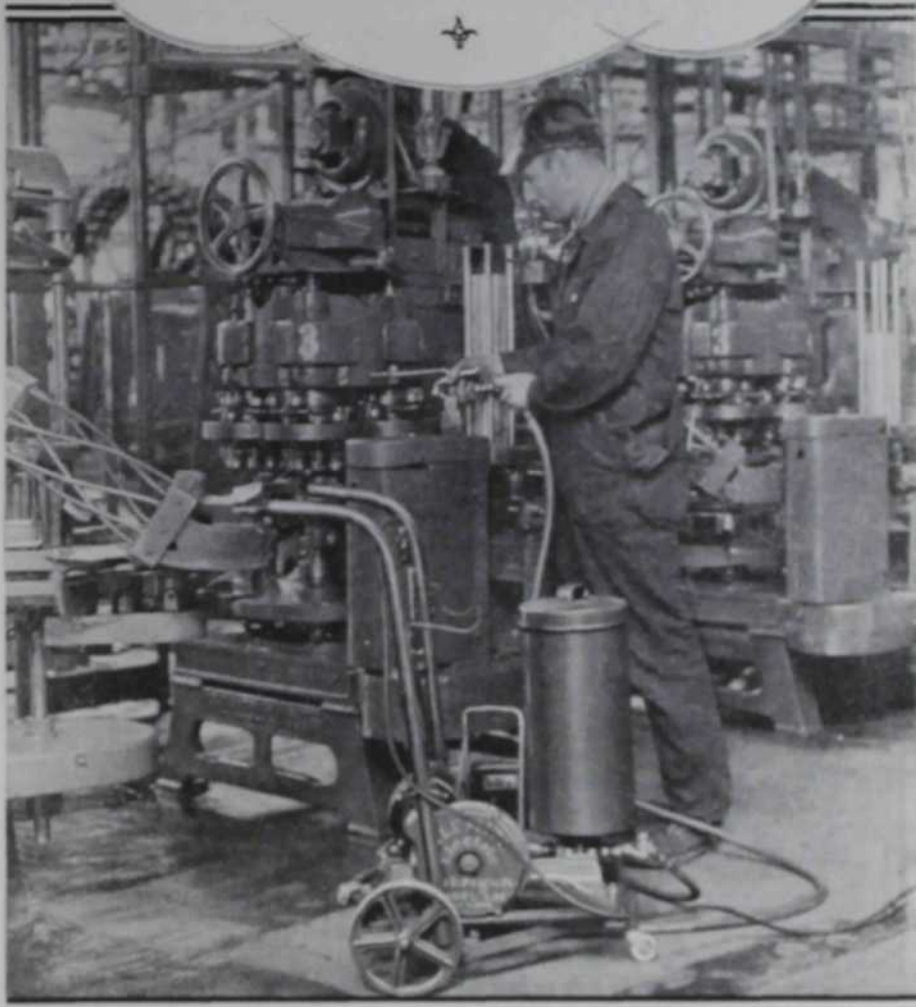
Why not make money?

MR. BERLE in saying that in a good many parts of the world notably in England, bankers weren't supposed to make money added:

"The banker who does so is regarded the same way as the local sheriff who

ALEMITE HIGH PRESSURE LUBRICATION SYSTEMS PLUS ALEMITE LUBRICANTS
BRING SAVINGS AND EXTRA PROFITS TO EVERY INDUSTRY!

ALEMITE LUBRICATION ADDS PROFITS IN THE CANNING INDUSTRY



Modern Lubrication with the Alemite Electric Lubrigrun

BOTH in the manufacturing of cans and in the canning of fruits and vegetables, Alemite High Pressure Lubrication Systems AND Alemite Industrial Lubricants show records of added savings translated into additional profits.

In the manufacturing of cans a consistently high production speed is maintained in order that these containers may be sold at as low a price as possible, consistent with sound manufacturing practice. Alemite Lubrication has registered proven savings here by keeping machinery at top production speed through ideal lubrication protection—saving the 80% or more of breakdowns due to faulty lubrication.

In the actual canning of foodstuffs, speed is an

essential element. An hour or so of delay may mean the spoilage of hundreds of dollars worth of fresh perishables. Here Alemite Lubrication also has made notable records among canners by protecting their canning equipment against breakdowns at such critical times. Alemite Lubricants are put to extreme tests in this industry, due to the hot, wet operations which would cause inferior lubricants to run out or be washed out of bearings.

Alemite will gladly demonstrate to you on your own equipment the manifold and gratifying savings made possible by this most modern method of protective lubrication. Write direct for complete information. Alemite Corp. (Division of Stewart-Warner), 1886 Diversey Parkway, Chicago, Ill.

PIONEERS IN SCIENTIFIC LUBRICATION FOR INDUSTRY

When writing to ALEMITE CORPORATION please mention Nation's Business

Go as you please **ROUND THE WORLD**



... See Manila in style from a native taxi—the "Caratella"

\$749 First Class

No other trip can equal a trip Round the World. And here is one that adds undreamed of privileges to a First Class fare so low you'll find just staying at home would probably cost more!

President Liners sail every week from New York and the Pacific Coast to the Orient and Round the World. Sailing out on one, you may stopover as you like in any or all of fourteen countries, then continue your trip on the next or another of these famous ships. Take 85 days or two full years to complete your journey.

Experienced world travelers choose President Liners quite as much for the people they meet on board as for the fine accommodations and the celebrated food. Good companions make a voyage, and these you will always find—people who make the easy informality that is a great tradition of these ships.

Ask your own travel agent or any of our agents (New York, Chicago, Seattle, San Francisco, Los Angeles and other principal cities) for details about the many other President Liner services.

Dollar Steamship Lines **DOLLAR** American Mail Line

Are Stocks Still a Buy?

Write for this report—gratis

Babson's Reports

and the famous
BABSONCHART
Div. 2-66, Babson Park, Mass.



Two Blocks from White House

A third of our Presidents have inscribed their names on the register of

THE WILLARD HOTEL
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, Managing Director

"Small Store Advertising"

A helpful handbook for retail merchants—contains suggestions for copy and examples of advertising that have brought returns.
Price 15 cents

Write to Domestic Distribution Department, United States Chamber of Commerce, Washington, D. C.

"This will be a big help to our people"

That is the prime reason why so many business establishments have taken out Group Insurance.

Those at the head of affairs know that a plan which helps their employees in this way is bound to help their business.

To Employers of uninsured groups, we will gladly furnish the latest information.



**THE PRUDENTIAL
INSURANCE COMPANY
OF AMERICA**

EDWARD D. DUFFIELD, President
HOME OFFICE, NEWARK, N. J.

is poor when he enters office and emerges with a large bank account. The question is asked, "Where did he get it?"

I have asked half a dozen business men how that statement affected them, if they would be favorably impressed toward a bank upon learning that its president had accumulated nothing beyond what he had been able to save from his salary.

The answers were interesting and frequently unexpected. Men who I had thought would be first to insist on a man's right to make money said that they would be favorably impressed toward the bank and the banker. One man said that if he knew that a banker was growing rapidly rich he could not escape a feeling that the banker was using information for his own advantage that should be turned to the bank's account.

Another man said that he would be rather unfavorably impressed towards a bank whose head didn't make money. An interesting, even if abstract question. Try it on yourself or a friend.

A lawyer and teacher

MR. BERLE is inclined to say "we" and "our" when he talks of, and to, bankers, but this city knows him more as a lawyer and teacher. He has been a member of the Law Faculty at Columbia and in practice at 70 Pine Street. He attracted attention some years ago by entering Harvard at 13, taking a Bachelor's degree at 17, a Master's at 18 and becoming a Bachelor of Law at 21.

He is one of Justice Brandeis' young men and his book on "The Modern Corporation and Private Property," has been an influence in shaping "The New Deal."

Self-regulation

THE action of the New York Stock Exchange in fixing minimum margin requirements for brokerage accounts placed with its members is regarded in the Street as having chief significance in the fact that it represents a step forward in self-regulation.

Criticism of the Exchange has strengthened its hand in imposing restrictions on its members.

Even more influential in that direction has been the ever-present possibility of Washington control as an incident of the recovery drive. On the whole, the increased authority will probably make for a healthier and more responsible market, if less "free."

The new margin requirements will doubtless have some effect, also, on speculative activities of customers. Some buyers will be squeezed out of the market entirely.

Others will find it difficult to reach as "extended" a position as they otherwise might.

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C This is one of a series of editorials written by leading advertising men on the general subject of advertising

Credibility in Selling

★/SOMEWHERE in the summation of virtually every sale there must enter the factor of CONFIDENCE.

Except when a purchase is trivial or when it is a matter of emergency and compulsion—as, for instance, a filling of gasoline when the fuel tank in your automobile runs unexpectedly dry—confidence is demanded at some point in the process.

It may be the confidence of the customer in a retailer's reputation. It may be confidence in a manufacturer's name and trademark. Or it may be the buyer's confidence in the accuracy of his own ability to appraise the type of merchandise under consideration.

Since this is so, it automatically follows that, in advertising copy, CREDIBILITY is the most important single factor, because CREDIBILITY builds CONFIDENCE; incredibility destroys it.

In an advertising message a statement that is incredible can be dangerous even if true.

MARSH K. POWERS, *President,*
The Powers-House Co.

ONLY DETEX

can supply you completely with



**PORTABLE CLOCKS
POLICE REGISTERS
GUARDIAN CLOCKS
MAGNETO CLOCKS
STATION BOXES
STATION KEYS
RECORD DIALS
ANNUNCIATORS
TELEPHONES
SUPPLIES
AND ALL ACCESSORIES**

Every Detex Product is especially built for watch service by the leading company with 60 years' experience and with 80,000 clocks and 50,000 systems in use.

● Look for the nearest Detex Dealer in the classified section of your local telephone directory under "Watchmen's Time Clocks." Representatives are located in all principal cities. Complete information on request. Approved by the Underwriters' Laboratories, Inc., and the Factory Mutuals Laboratory.

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80 Varick St., N. Y. Room 800, 116 Marietta St., Atlanta
NB-9

DETEX

WATCHMEN'S CLOCKS
NEWMAN ★ ECO ★ ALERT ★ PATROL

When writing please mention Nation's Business



BUDGETS... *both business and personal* helped by *Mutual Savings*

KEEPING outgo down to budget figures isn't easy, for corporations or individuals.

Mutual casualty insurance has helped because *mutual* companies, year after year, have returned substantial dividends to policyholders—effecting a reduction in the net cost of protection.

Over a million car owners benefited by mutual savings in 1932—also hundreds of thousands of employers on their workmen's compensation insurance, among them many of the leading corporations in the country.

The 23 member companies of the National Association of Mutual Casualty Companies, through economy in operation,

care in selecting risks and helping policyholders avoid unnecessary accidents, have saved and returned to policyholders in dividends over \$107,000,000 in the ten years since 1922; a total of \$25,008,470 for 1931 and '32.

These selected, sound

mutual organizations offer the utmost in protection and service to any buyer of casualty insurance, small or large.

Write today for a list of Association companies and an outline of the advantages of this oldest form of insurance protection.



This Seal identifies a member company of The National Association of Mutual Casualty Companies and the American Mutual Alliance.

MUTUAL CASUALTY INSURANCE

Sound and economical protection on following risks: accident • automobile (all forms) • burglary and theft • fidelity • liability (all forms) • plate glass • property damage • workmen's compensation



WRITE FOR THIS BOOKLET-----

NB-8

National Association of Mutual Casualty Companies,
230 North Michigan Avenue, Chicago, Illinois.

Gentlemen: Kindly send me, with no obligation, a list of the Association companies and an outline of the benefits they offer the policyholder.

Name _____

Address _____

180 YEARS OF SUCCESSFUL OPERATION TESTIFY TO THE SOUNDNESS OF THE MUTUAL PLAN OF INSURANCE

When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention Nation's Business



The photographs show before and after modernization of elevators by Westinghouse in the Rockefeller Building, Cleveland.



ELEVATORS MODERNIZED BY WESTINGHOUSE

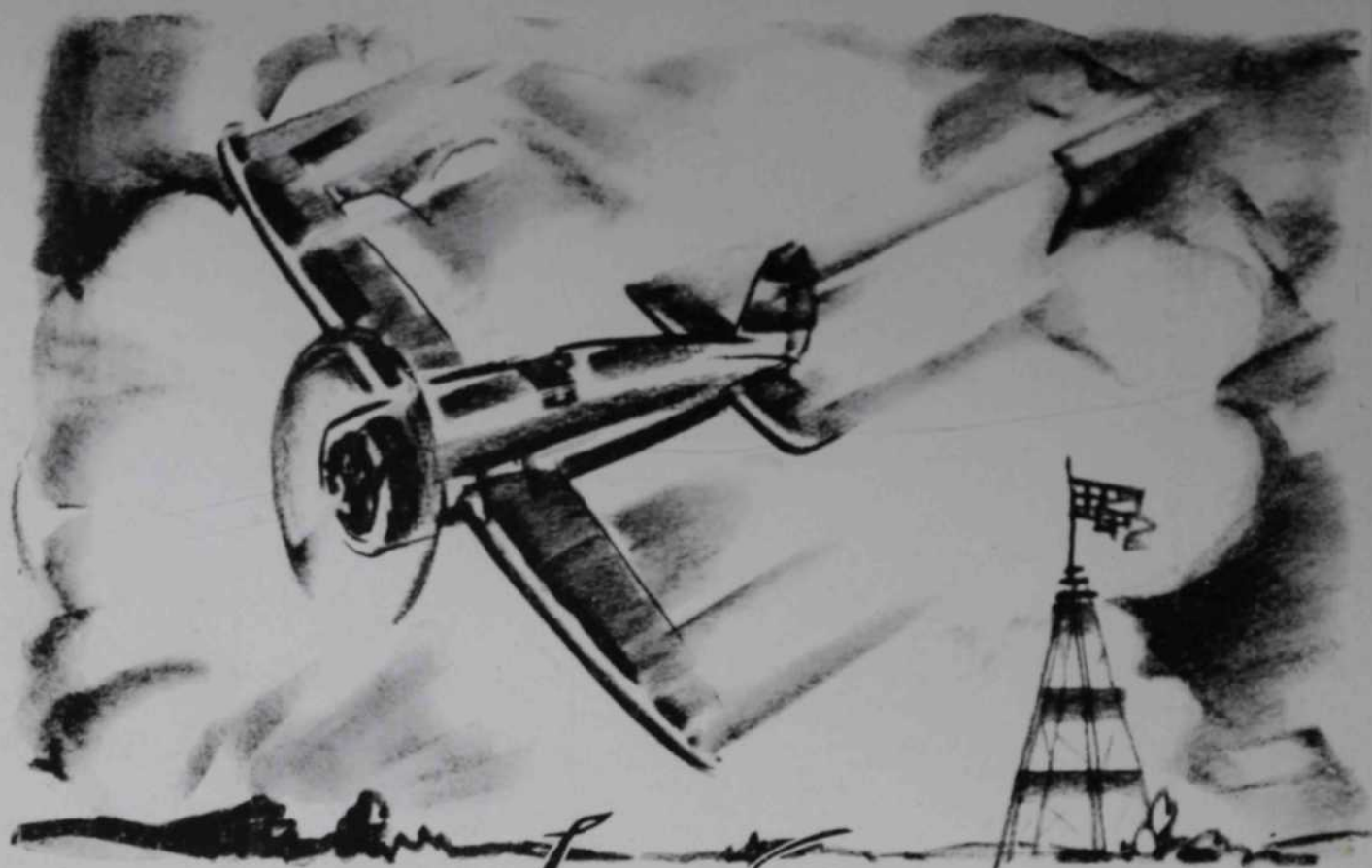
Fine older buildings, rich in established reputation and associations need not suffer and lose their high desirability because they lack a few of the modern advantages and comforts tenants now demand. Costly old elevators can be "changed over" with scarcely any disturbance. Maintenance costs immediately drop, making possible decided savings. The smoothly gliding, swift, efficiently operated Westinghouse elevators act as the best rental agency for any building. Take advantage of the still prevailing low elevator modernization prices.

Westinghouse



Electric Elevators

Elevator rehabilitation problems referred to Westinghouse are given individual, careful study to insure complete recommendations.



Lend Speed

The pilots of government, industry and finance require accurate figures—QUICKLY—for constant control. • In this day of fluctuating markets and changing conditions, the importance of accuracy with speed takes on a new significance. Never before has there been a greater demand for "fast", detailed figures. Getting the facts before you, accurately and quickly, is the outstanding advantage which the International method of punched card accounting offers. • International Electric Accounting and Tabulating Machines give the business executive

TO THE FINDING OF FACTS

the up-to-the-minute information which enables him to keep all phases of his business under constant control. • As one executive states: "We have proved to our satisfaction that the work is accomplished far more rapidly and accurately by the punched card method than was ever before possible."

Our new illustrated handbook, *Modern Methods for Modern Business Needs*, gives detailed descriptions of International Business Machines. We will be pleased to mail you a copy on request.

IN CHICAGO, at A Century of Progress, you are cordially invited to inspect the complete line of International Business Machines—in action.

INTERNATIONAL ELECTRIC ACCOUNTING AND TABULATING MACHINES
INTERNATIONAL INDUSTRIAL SCALES

• DAYTON MONEYWEIGHT SCALES AND STORE EQUIPMENT

INTERNATIONAL TIME RECORDERS AND ELECTRIC TIME SYSTEMS
• ELECTROMATIC TYPEWRITERS

INTERNATIONAL BUSINESS MACHINES CORPORATION

GENERAL OFFICES, 270 BROADWAY, NEW YORK, N. Y.



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